

# **NEIGHBORHOOD STABILIZATION PROGRAM**

**DRAFT**

## **ADDENDUM TO THE 2008 HOUSING AND COMMUNITY DEVELOPMENT CONSOLIDATED ANNUAL ACTION PLAN**

**LAKE COUNTY CONSORTIUM  
LAKE COUNTY, ILLINOIS**

**NOVEMBER 18, 2008 (COUNTY BOARD APPROVAL)**

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# EXECUTIVE SUMMARY

## OVERVIEW OF THE 2008 NSP PROGRAM

### History

- On July 30<sup>th</sup> Congress passed and the President signed the Housing and Economic Recovery Act of 2008, which contained many different methods of Economic Stimulus packages.
- One such element was the announcement of \$3.92 billion in CDBG funds that would be awarded nation-wide under specific prescribed formulas and program requirements for the acquisition of vacant and foreclosed properties that can be acquired, rehabilitated and sold/rented as affordable housing for low-and moderate-income families.
- Lake County was informed on September 26<sup>th</sup> that it would receive \$4.6 million under the Neighborhood Stabilization Program (NSP) for which HUD rules and regulations were issued on September 29<sup>th</sup>.

### Purpose / Potential List of Eligible Activities

- Create financing mechanisms to purchase and redevelop abandoned and foreclosed upon homes and residential properties through soft-second loans, loan loss reserves and shared-equity loans.
- Purchase and rehabilitation of abandoned and foreclosed upon homes and residential properties to re-sell, rent or redevelop; homes must be purchased at a discount from the current market appraised value.
- Establish land banks of foreclosed upon homes.
- Demolish blighted structures.
- Redevelopment of demolished or vacant properties.
- Public services for Homebuyer Counseling to those benefitting from NSP funds; all homebuyers assisted are required to receive at least 8 hours of pre-purchase counseling from a HUD-approved housing counseling agency.
- Direct homeownership assistance (loan programs to purchase redeveloped homes).
- Foreclosure prevention and mortgage assistance are not eligible uses of NSP funds.

### NSP Targeting

- Priority emphasis to those areas of greatest need (as determined under NSP formula):
  - greatest percentage of foreclosures,
  - highest percentage of homes financed by subprime mortgage related loans, and
  - identified as likely to face a significant rise in the rate of home foreclosures.
- 100% of funds used to serve households at or below 120% of area median income (for example a four person household having income at or below \$90,500).
- 25% of funds must benefit households at or below 50% of area median income (for example a four person household having income at or below \$37,700).

### Timeline for Expenditure of NSP Funds

- Lake County must commit or obligate funds within 18 months; the sooner the better.
- All funds must be expended within four years from date of allocation.

### Program Administration

- Up to 10% of the grant (\$460,080 in Lake County), plus 10% of future program income, for Lake County's Program Administration.
- NSP funded governmental and non-profit agencies can also charge program delivery costs as part of NSP funded activities.

### Program Income

- Program income earned during the first 5 years must be used for the same type of activities.
- Program income received after 5 years must be returned to the US Treasury (although HUD can grant an exception).

## 2008 NSP Program Funding Recommendations

Project Sponsor	Project Type	Consolidated Plan Goal #	NSP Recommended Amounts
(Agencies to be determined at a later date through a future RFQ competitive application process for non-profit rental agencies)	NSP Rental Housing Program: Acquisition and Rehabilitation Program for Single-Family Homes/ Multi-Family Homes/Group Homes.	#1.3	\$1,150,200
Affordable Housing Corporation/ /North Chicago/Waukegan	NSP Single Family Housing Program: Acquisition and Rehabilitation Program for Single Family Homes	#1.3	\$2,990,520
(Unknown at the present time)	NSP Financing Mechanisms for Purchase and Redevelopment	#1.3	\$0
(Unknown at the present time)	NSP Land Bank	#1.3	\$0
Affordable Housing Corporation	NSP First Time Homebuyer Assistance Program	#1.4	\$0
Affordable Housing Corporation	Homebuyer Counseling Program	#1.5	\$0
Lake County CDBG-NSP Program	CDBG-NSP Program Administration	#3.5	\$450,080
Affordable Housing Corporation	Housing-related Inspections	#3.5	\$10,000
		<b>TOTAL</b>	<b>\$4,600,800</b>

### NOTES REGARDING THE NSP PROGRAM FUNDING RECOMMENDATION TABLE

**NOTE:** NSP low-income formula calculated as  $\$4,600,800 \times 25\% = \$1,150,200$ , for projects to purchase and redevelop abandoned and foreclosed upon homes or residential properties that house individuals or families whose income does not exceed 50 percent of area median income, distributed through a future RFQ competitive application process for non-profit rental agencies in keeping within the areas of greatest need as identified by Census Tract/Block Groups under the NSP Program.

**NOTE:** NSP administration formula calculated as  $\$4,600,800 \times 10\% = \$460,080$ , distributed between the Lake County CDBG project for general program administration (\$450,080) and the Affordable Housing Corporation project for Housing-related Inspections (\$10,000).

## Description of Key Projects

Lake County has a strong background in HOME funded affordable housing practices through its strong expertise in federal and county funded first time homebuyer programs and various housing rehabilitation programs, which already incorporate housing counseling activities. Lake County's existing CDBG and HOME funded Homeowner Rehabilitation Program (for the 50 non-CDBG entitlement jurisdictions) is administered by the Affordable Housing Corporation of Lake County (AHC). North Chicago's existing CDBG and HOME funded Homeowner Rehabilitation Program is administered by the City of North Chicago. Waukegan's existing CDBG and HOME funded Homeowner Rehabilitation Program is administered by the City of Waukegan.

Lake County also previously amended its Consolidated Plan and prior Action Plans to allow for NSP-type housing activities (acquisition and rehabilitation of vacant, abandoned, or foreclosed properties). Lake County already has an established Lending Pool Consortium of area bankers. Accordingly, new additional CDBG funding under the Neighborhood Stabilization Program allows for greater coordination of previously separated housing activities through the development of a quick concise specific NSP program balanced against Lake County housing needs.

Therefore, as much as possible, Lake County would like to use its existing housing partners to expand its current housing activities under the Neighborhood Stabilization Program.

The Housing and Economic Recovery Act (July 2008) requires that NSP funds be distributed to the areas of greatest need based on three NSP specific program need categories. Accordingly, priority emphasis and consideration will be provided to those geographic areas of Lake County showing the greatest need, including those:

- with the greatest percentage of home foreclosures;
- with the highest percentage of homes financed by subprime mortgage related loans.
  - Under the NSP Program, HUD has identified areas of Lake County with the highest percentage of homes financed by a subprime mortgage, as having at least 25% high cost loans; and/or
- identified as likely to face a significant rise in the rate of home foreclosures.
  - Under the NSP Program, HUD has identified areas of Lake County likely to face a significant rise in the rate of home foreclosures, as having a high risk factor for foreclosure or abandonment based on a ranking of 8 or above on a scale of 1 to 10.

HUD allows NSP recipients to identify other local identifiers of concern. Lake County will also consider other non-NSP stipulated need categories, such as:

- the number and rank of home foreclosures within Lake County municipalities, as identified by the Woodstock Institute.

Lake County will need to provide priority emphasis and consideration to those abandoned and foreclosed properties that are located within these areas of greatest need. At the present time it appears as though the following communities have the highest number of foreclosures:

- Mundelein
- North Chicago
- Round Lake Beach
- Waukegan
- Zion

NSP funded acquisition and rehabilitation of abandoned and foreclosed homes and residential properties will occur in one of the following ways:

- NSP Rental Housing Program: Property Acquisition and Rehabilitation of Abandoned and Foreclosed Homes and Residential Properties for Single – Family Homes / Multi – Family Homes /Group Homes (\$1,150,200).
- NSP Single Family Housing Program: Property Acquisition and Rehabilitation of Abandoned and Foreclosed Homes and Residential Properties for Single-Family Homes (\$2,990,520).
- NSP Financing Mechanisms for Purchase and Redevelopment (\$0, but funds may be transferred here if this becomes a NSP component).
- NSP Land Bank (\$0, but funds may be transferred here if this becomes a NSP component).
- NSP First Time Homebuyer Assistance Program (\$0, but funds may be transferred here if this becomes a NSP component).
- Housing Counseling Program (\$To be determined)
- NSP Program Administration (\$460,080)

## Neighborhood Stabilization Program Flow Chart

(“a residential recycling program for abandoned or foreclosed properties”)

<p>Pending foreclosure site:</p> <ul style="list-style-type: none"> <li>○ Select “area of greatest need”</li> <li>○ Property is identified</li> <li>○ NSP process begins</li> <li>○ &lt;60 day old appraisal</li> <li>○ Initial housing inspection</li> </ul>	<p>Foreclosure:</p> <ul style="list-style-type: none"> <li>○ Sheriff’s Sale</li> <li>○ Privately financed mortgagee forecloses for value owed</li> </ul>
<p>NSP Acquisition Stage</p> <ul style="list-style-type: none"> <li>○ NSP acquisition occurs at required discount <ul style="list-style-type: none"> <li>○ =&gt;5% individual</li> <li>○ =&gt;15% aggregate</li> </ul> </li> <li>○ NSP pays off privately financed mortgagee <sup>(1)</sup></li> <li>○ Title changes hands</li> </ul>	<p>NSP Rehabilitation Stage</p> <ul style="list-style-type: none"> <li>○ Secondary housing inspection</li> <li>○ Rehab bid process to select contractor</li> <li>○ NSP pays for required code related repairs</li> <li>○ Third+ housing inspections</li> <li>○ Rehabilitation complete</li> <li>○ Final housing inspection</li> </ul>
<p>NSP Housing Counseling Stage</p> <ul style="list-style-type: none"> <li>○ =&gt;8 hours</li> <li>○ =&lt;120% AMI program eligibility</li> <li>○ FTHB assistance provided</li> <li>○ Private mortgage approval of secondary purchaser</li> </ul>	<p>NSP Sale/Rental Stage</p> <ul style="list-style-type: none"> <li>○ =&lt;120% AMI household or tenant</li> <li>○ Sale: closing proceeds from secondary private mortgagee pays back NSP funds <sup>(2)</sup></li> <li>○ Rental: annual demographic information required</li> <li>○ Recording of NSP mortgage documents will reflect the NSP period of affordability, which will be payable back to Lake County upon sale or transfer of the NSP assisted home.</li> </ul>

### Economic Stimulus Notes:

- <sup>(1)</sup> foreclosed private financing replaced with discounted NSP funds (of which the original mortgagee can lend back out)
- <sup>(2)</sup> discounted NSP funds + rehabilitation costs replaced with secondary private financing that returns NSP funds (of which NSP can lend back out)

## Citizen Participation: Substantial Amendment Approval Process

The NSP application of funds will consist of a **substantial amendment** to Lake County's 2008 Annual Action Plan, which was originally approved March 14, 2008. The customary HUD-required CDBG Citizen Participation process has been waived by HUD, such that the amended Action Plan must be published through the County's usual methods and be available on the County's website for at least 15 calendar days for public comment (<http://www.co.lake.il.us/planning/cd/actionplan.asp>). The following documents are available on the County's website: The HUD Standard 424 application form, the proposed NSP Action Plan amendment, and (ultimately) the final NSP Action Plan amendment.

A "Legal Notice" was published on November 1, 2008 in the News-Sun regarding the NSP Addendum to the 2008 Annual Action Plan. Copies of the NSP "Legal Notice" were distributed to over 392 entities from the Community Development Division mailing list. Copies of the proposed NSP Addendum to the 2008 Annual Action Plan were made available at five libraries in different areas of the County, and were distributed to groups and individuals on request. The proposed NSP Addendum to the 2008 Annual Action Plan was available for a 15 day comment period prior to approval by the Lake County Board.

The NSP Addendum to the 2008 Annual Action Plan, including Lake County's funding strategies, was approved by:

- The Affordable Housing Commission on October 21, 2008 (proposed draft);
- The Lake County Community Development Commission on October 22, 2008 (proposed draft);
- The Lake County Board's Health and Community Services Committee on November 11, 2008 (final draft);
- The Lake County Board's Financial and Administrative Committee on November 12, 2008 (final draft); and
- The Lake County Board on November 18, 2008 (final version).

Submission of the Addendum is due to HUD on or before December 1, 2008.

Public comments were received as follows:

<<<No requests were received for a copy of the proposed Addendum based on the published notice>>>

<<<Appreciative comments were provided by members of the audience and from AHC/CDC/CB members>>>

The following individuals submitted written correspondence to Lake County:

<<<No written comments were received prior to the end of the 15 day comment period>>>



## NSP Program Narrative Statements

### NSP Eligible Activities

Lake County has a strong background in HOME funded affordable housing practices through its strong expertise in federal and county funded first time homebuyer programs and various housing rehabilitation programs, which already incorporate housing counseling activities. Lake County also previously amended its Consolidated Plan and prior Action Plans to allow for NSP-type housing activities (acquisition and rehabilitation of vacant, abandoned, or foreclosed properties). Lake County can already identify its HUD/County-assisted foreclosure filings through the State's Attorney's Office. Lake County already has an established Lending Pool Consortium of area bankers. Accordingly, new additional CDBG funding under the Neighborhood Stabilization Program allows for greater coordination of previously separated housing activities through the development of a quick concise specific NSP program balanced against Lake County housing needs.

Therefore, as much as possible, Lake County would like to use its existing housing partners to expand its current housing activities under the Neighborhood Stabilization Program.

Lake County will only qualify its NSP-assisted affordable housing activities under the NSP-modified CDBG low- and moderate-income national objective of either: (a) providing or improving permanent residential structures that will be occupied by a household whose income is at or below 120% of Area Median Income; or (b) serving a limited clientele whose incomes are at or below 120% of Area Median Income. Lake County will not qualify its NSP-assisted affordable housing activities under the national objective of either: (a) serving an area in which at least 51% of the residents have incomes at or below 120% of Area Median Income; or (b) using the "prevention or elimination of slums or blight" or "address urgent community development needs" objectives normally allowed in the overall benefit provisions of the CDBG regulations.

### NSP Funds

Lake County will use its NSP funds for the acquisition and rehabilitation of abandoned and foreclosed upon homes and residential properties to re-sell, rent, or redevelop additional affordable housing opportunities for Lake County residents.

Lake County will use its NSP funds within eighteen months of receipt.

Lake County will strongly encourage the use of its NSP funds for housing purposes.

HUD also strongly encourages NSP recipients to acquire and redevelop FHA foreclosed upon properties.

Lake County will adjust its normal HUD funded 80% low and moderate income requirements for the 120% limited clientele income eligibility requirements under the NSP program, including the remaining CDBG program requirements of 24 CFR Part 570.208 (a) and 24 CFR Part 570.483 (b) regarding area benefit, housing, and limited clientele benefit that remain unchanged by NSP requirements.

Lake County will not use its NSP funds to:

- redevelop acquired property for non-residential uses, such as area benefit purposes and public parks;
- provide for job creation or retention purposes;
- allow foreclosure prevention activities;

- allow demolition of structures that are not blighted or the conversion of any low- and moderate income dwelling units;
- allow the purchase residential properties and homes that have not been abandoned or foreclosed upon;
- fund an NSP recipient to purchase NSP properties from itself or other funded NSP recipients;
- assist an acquisition involving eminent domain actions;
- pay for the costs of boarding up properties, lawn mowing, or maintaining the property in a static condition; or
- provide relocation expenses.

#### NSP Income Eligibility and NSP Period of Affordability

HUD funded programs normally operate at 80% of Area Median Income, based on household size. For example, a four person household normally receiving HUD assisted benefits would qualify at a household income at or below \$60,300.

All of Lake County's NSP funded activities will be used, to the maximum extent practicable and for the longest feasible term, and >>>>>> ensure that the sale, rental or redevelopment of abandoned and foreclosed upon homes and residential properties shall remain affordable to individuals and families whose income does not exceed 120% of Area Median Income. For example, a four person household receiving NSP assisted benefits would qualify at a household income at or below \$90,500. Additionally, as required under the NSP program, not less than 25% of the NSP funds will be used for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties, that will remain affordable, will be used to house individuals or families whose incomes do not exceed 50% of Area Median Income. For example, a four person household receiving restricted NSP assisted benefits would qualify at a household income at or below \$37,700. NSP Income eligibility, based on household size, is identified in the NSP Area Median Income Table included as Appendix XX.

Houses assisted with NSP funds will remain affordable for the maximum amount of time feasible. Existing CDBG and HOME program requirements for property liens, notes, mortgages, and/or deed restrictions will also be a component of the NSP program.

#### Property Identification: Foreclosed Sites

There is no known list of readily available foreclosure filings that identifies the property type, the size of the property, its street location, its Census Tract/Block Group, and the character of the house as it relates to local building codes needed under the Neighborhood Stabilization Program. Each of these items must, therefore, be individually researched over time for each individual property.

Lake County already funds affordable housing through federal and county funded First Time Homebuyer Programs and various Rehabilitation Programs. As part of this assistance, liens/mortgages/deed restrictions are placed on the assisted property. Unfortunately, some of these federal and county assisted properties may, in fact, be foreclosed upon by the original mortgage holder. Therefore, the possibility exists, that the "notice of foreclosure" would identify Lake County as a party to the foreclosure. As such, identification of potential Neighborhood Stabilization Program properties maybe the easiest to identify.

Additional research of the computerized Lake County Clerk of the Court filings is needed to determine a possible workload of other non-federal and non-county assisted properties that have had recent foreclosure filings.

**Property Identification: Priority for Areas of Greatest Need**

The Housing and Economic Recovery Act (July 2008) requires that NSP funds be distributed to the areas of greatest need based on three NSP specific program need categories. Accordingly, priority emphasis and consideration will be provided to those geographic areas of Lake County showing the greatest need, including those:

- with the greatest percentage of home foreclosures
  - (See Appendix XX and Map XX);
- with the highest percentage of homes financed by subprime mortgage related loans.
  - Under the NSP Program, HUD has identified areas of Lake County with the highest percentage of homes financed by a subprime mortgage, as having at least 25% high cost loans (See Appendix XX and Map XX); and/or
- identified as likely to face a significant rise in the rate of home foreclosures.
  - Under the NSP Program, HUD has identified areas of Lake County likely to face a significant rise in the rate of home foreclosures, as having a high risk factor for foreclosure or abandonment based on a ranking of 8 or above on a scale of 1 to 10 (See Appendix XX and Map XX).

Lake County will also consider other non-NSP stipulated need categories, such as:

- the number and rank of home foreclosures within Lake County municipalities, as identified by the Woodstock Institute (See Appendix XX and Map XX).

Lake County will need to provide priority emphasis and consideration to those abandoned and foreclosed properties that are located within these areas of greatest need. The purchase, rehabilitation, and rental/resale of these properties will involve NSP funded activities within these areas of greatest need. However, not all Census Tracts/Block Groups, and not all targeted areas, can be assisted with initial NSP-assisted affordable housing activities. A certain balance will need to exist throughout the NSP program and its affordable housing activities regarding not only the time frame to acquire a foreclosed property, but its record of title, its acquisition price, its proposed rehabilitation costs, secondary financing arrangements of NSP income eligible households, and the length of time that similarly located properties have been on the market.

According to data obtained from the Woodstock Institute, it appears as though the following communities have consistently had the highest number of foreclosures between the 2005 report year and the 2<sup>nd</sup> Quarter of 2008 as shown below:

**Top 5 Lake County Communities, per the number of foreclosures**

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>1Q/2Q 2008</u>
Waukegan 283	Waukegan 427	Waukegan 478	Waukegan 370
Zion 151	Zion 195	Round Lake Beach 239	Round Lake Beach 176
Round Lake Beach 138	Round Lake Beach 186	Zion 232	Zion 157
North Chicago 76	North Chicago 98	North Chicago 140	Mundelein 99
Mundelein 72	Mundelein 94	Mundelein 109	Buffalo Grove 92
Total: 720	Total: 1,000	Total: 1,198	Total: 894
Total Lake County Foreclosures: 1,529	Total Lake County Foreclosures: 2,058	Total Lake County Foreclosures: 2,581	Total Lake County Foreclosures: 1,933

Percentage of Lake County Foreclosures: 47%	Percentage of Lake County Foreclosures: 49%	Percentage of Lake County Foreclosures: 46%	Percentage of Lake County Foreclosures: 46%
---------------------------------------------	---------------------------------------------	---------------------------------------------	---------------------------------------------

According to data obtained from the Woodstock Institute, it appears as though the following communities have had the highest foreclosure rate between the 2005 report year and the 2<sup>nd</sup> Quarter of 2008 as shown below:

**Top 5 Lake County Communities,  
foreclosure rate per 1000 owner-occupied units**

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>1Q/2Q 2008</u>
Round Lake Heights 48.85	Round Lake Heights 63.22	Round Lake Heights 71.84	Indian Creek 47.62
Zion 33.50	Indian Creek 47.62	Hainesville 55.64	Round Lake Heights 37.36
Indian Creek 31.75	Zion 43.26	Zion 51.46	Round Lake 36.56
North Chicago 27.54	Round Lake 38.49	North Chicago 50.72	Zion 34.83
Round Lake 25.02	North Chicago 35.51	Indian Creek 47.62	Fox River Valley Garden 34.48

Though indicative of the recent foreclosure trend, the percentage change in the number of foreclosures is not truly indicative of Lake County's "areas of greatest need". This is because the identified jump in the foreclosure rate is not relative due to the initially low number of foreclosure cases. The number of foreclosures for the greatest percent change actually ranged from 0 – 6 in 2005 to between 10 – 15 by 2007 for:

**Top 5 Lake County Communities,  
Percent Change in the Number of Foreclosures  
2005 - 2007**

North Barrington	1000%
Fox River Valley Garden	250%
Lake Bluff	175%
Hawthorn Woods	160%
Riverwoods	150% (tie)
Spring Grove	150% (tie)

**Basic Foreclosure Process**

Foreclosures in Lake County, like all other counties in the State of Illinois, must follow the legal procedures of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15 – 1507, 1508; 1602, et al). Yet the individual foreclosure format is also developed within each County following local and historical precedence. On average, it can take upwards of nine months from the initial date of the complaint filed by the defaulted mortgagee to the eviction process followed by the Sheriff. Typically, a homeowner's defense is seldom successful although it can delay the length of time

to its ultimate conclusion. It is estimated, by some, that perhaps 98% of foreclosure proceedings are successful to the lending institutions favor.

The following steps outline a typical foreclosure case <sup>x</sup>:

- Default
- Filing of Foreclosure
- Personal Service of Summons
- Foreclosure Judgment and Order of Sale
- Reinstatement Period Expires (90 days after personal service)
- ADDED (?GG): Special Notice of Right to Payoff within 10 days of Demand (?GG)
- Redemption Period Expires (7 months after personal service or 3 months after judgment, whichever is later)
- Foreclosure Sale
- Foreclosure Sale Confirmed
- Right to Possession Expires (30 days after foreclosure sale confirmed)
- Eviction by Sheriff of Named Parties
- Recording of Foreclosure Deed\*\*\*

\*\*\* = The NSP assisted activities, as described in this NSP Addendum to the 2008 Annual Action Plan, begin at this point.

<sup>x</sup> Modified from Source:

[http://www.illinoisprobono.org/index.cfm?fuseaction=home.dsp\\_Content&contentID=327](http://www.illinoisprobono.org/index.cfm?fuseaction=home.dsp_Content&contentID=327)

HUD rules and requirements of the Neighborhood Stabilization Program provide that “>>>>>>”. Accordingly, Neighborhood Stabilization Funds could not be used *at* the Foreclosure Sale (*emphasis added*) as the property has not actually been “foreclosed upon”. Therefore, for the purposes of the Lake County Neighborhood Stabilization Program, “confirmation of sale” shall need to be the recording of a Foreclosure Deed from the defaulting homeowner to the defaulted mortgagee evidencing the completion of the post-judgment completion of the foreclosure case.

#### NSP post-foreclosure/REO ownership structures

The NSP program requires the acquisition of abandoned and foreclosed upon homes and residential properties and that these homes and residential properties must be purchased at a discount from the current market appraised value. However, because of the circumstances with which a home has now been foreclosed upon there may in fact be numerous different types of post-foreclosure ownership structures that must be dealt with. Any quick NSP funded title transfer is going to want to avoid clouded title issues as much as possible, as this will continually delay timely progress. Accordingly, listed below are only some of the ownership structures that NSP funded governmental and non-profit agencies may have to deal with, in increasing levels of difficulty. Though only a small list, this assists in explaining why there will need to be a certain level of selectivity in choosing NSP properties in the identified areas of greatest need:

- Local Community Banks/Financial Institutions (who often list with local real estate brokers. Since local financial institutions do not want to “own” properties for long – this might be the easiest group to work with since it is locally owned and driven);
- National Banks (who often have many other national properties in their REO holdings. As there has been no post-foreclosure title transfer, this could create a secondary market portfolio that must be dealt with);
- Servicing Companies (many financial institutions contract out with other lending companies to package their collective debt instruments with other lending/broker/servicing/investor/sale transactions – for individual or small lots the time and effort may not allow a servicing company to separate its portfolio)
- Trustees/Receiverships (and other types of ownership where the actual title holder is often hidden – which requires intermediaries to handle financial negotiations and title transfers).

### Determining fair market value, the NSP discount rate, and the resale purchase price

The NSP program specifically requires that in any acquisition, purchasers (from foreclosure lists) are to pay below-market value for any abandoned or foreclosed upon home or residential property. The post-foreclosure purchase price is to be at a discount from the current market appraised value of the home or property, taking into account its current condition. As such, all acquisitions of property under NSP require an appraisal for purposes of determining the statutory purchase discount. Accordingly, for mortgagee foreclosed properties, NSP funded governmental and non-profit agencies must seek to obtain the “maximum reasonable discount” from the mortgagee, taking into consideration likely “carrying costs” of the mortgagee if it were to not sell the property. For individual purchase transactions, the purchase discount is to be **at least 5%** from the current market appraised value of the home or property. In keeping with minimum NSP requirements, for purchase transactions in the aggregate, the average purchase discount depends on how the purchase discount for an individual property is determined:

- a. The average purchase discount shall be **at least 10%** if the Lake County funded NSP recipient determines the discount for each purchase transaction through use of a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the mortgagee if the property were not purchased with NSP funds (provided the discount is at least 5%).
  - i. Such methodology shall provide for an analysis of the estimated holding period for the property and the nature and amount of the carrying costs of holding the property for this period.
  - ii. Such carrying costs shall include, but not be limited to: taxes, insurance, maintenance, marketing, overhead, and interest.
- b. If this methodology is not used, the minimum average discount shall be **at least 15%**.

Depending on the NSP selected property, the following circumstances may come into play when determining the NSP discount rate:

- Post-foreclosure holding costs
- Broker fees
- Lender’s perception by the community
- Lender’s CRA reputation
- Community involvement
- Availability of other foreclosed upon properties

In determining post-rehabilitation sales price, the sale of such property shall be in an amount equal to or less than the cost to acquire and redevelop or rehabilitate such home or property up to a decent, safe, and habitable condition. Accordingly, the maximum sales price for a property is determined by aggregating all costs of acquisition, rehabilitation, and redevelopment.

In determining post-rehabilitation sales price, the sale of such property may include sales costs, closing costs, and reasonable developer’s fees, related to NSP-assisted housing, rehabilitation, or construction activities.

In determining post-rehabilitation sales price for a property that is sold to an individual as a primary residence, no profit may be earned on such sale of previously abandoned or foreclosed upon home or residential property.



## Housing Standards

Per the NSP requirements, any rehabilitation of an abandoned or foreclosed upon home or residential property shall be to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability, in order to sell, rent or redevelop such homes and properties. Rehabilitation activities, per NSP requirements, may include preservation, improving energy efficiency or conservation, or providing renewable energy sources. Where practical, Lake County will encourage that NSP funded governmental and non-profit agencies strategically incorporate modern green building and energy efficiency improvements that provide for long-term affordability and increased sustainability and attractiveness of housing and neighborhoods.

As identified within the *2005 – 2009 Housing and Community Development Consolidated Plan*, “substandard conditions” were described as: “the quality of housing not in compliance with local housing code or Federal Housing Quality Standards (HQS), whichever is stricter” (Consolidated Plan, page 63). “Substandard condition but suitable for rehabilitation” was described as “the quality of housing with deficiencies economically feasible to correct” (Consolidated Plan, page 63). According to our Consolidated Plan, “housing, in substandard condition but suitable for rehabilitation, can be repaired according to local building codes and HQS and then be returned to the housing stock as safe, decent and sanitary (Consolidated Plan, page 63).

As stated within the Consolidated Plan - Needs Section for Lake County’s Housing Rehabilitation Goal:

“although the majority of Lake County’s housing stock is in generally good condition, pockets of substandard housing exist throughout the County, especially in low-income areas. Rehabilitation of both homeowner and rental units is needed to improve these units to standard condition (Consolidated Plan, page 112).

As stated within the Consolidated Plan - Strategy Section for Lake County’s Housing Rehabilitation Goal:

“the Consortium will support the rehabilitation of existing homeowner and rental units to meet local housing codes, applicable rehabilitation standards, and Section 8 Housing Quality Standards through the provision of available CDBG and HOME program funds (Consolidated Plan, page 112).

Use of NSP-funding for the acquisition and rehabilitation of vacant and foreclosed properties for (future) income eligible homeowners will assist in this effort.

## Asset Management of NSP properties (“carrying costs”)

(Paragraphs on how property will be maintained until sold)

## Program Income

Resale and Recapture provisions outlined in the Lake County Consortium’s Annual Action Plan apply to NSP assisted foreclosed and rehabilitated properties.

Funds received from the secondary closing of NSP assisted foreclosed and rehabilitated properties are considered Program Income and are due Lake County for its initial assistance in providing the original NSP funds. Accordingly, funds received by Lake County in repayment of this initial assistance will be retained by Lake County, treated as CDBG Program Income for purposes of reprogramming, and will be reused to continue additional NSP assisted activities in

accordance with Section 2301 of HERA. It is estimated that 25% of the NSP related program income will also be available for continued NSP Rental Housing Program activities (households whose income is less than 50% of Area Median Income).

Program Income earned during the first 5 years of the NSP program must be used for the same type of activities. Program income received after 5 years must be returned to the US Treasury (although HUD can grant an exception).



## PROPOSED 2008 NSP ACTIVITY DESCRIPTIONS

**NOTE:** See activities previously identified in the 2008 Housing and Community Development Consolidated Annual Action Plan dated March 14, 2008 and the Round #2 Addendum to the Annual Action Plan dated September 9, 2008 for previously funded CDBG, HOME, and ESG projects that are not changed by the funding awards mentioned below.

**NOTE:** Lake County proposes to use NSP funds in the identified areas of greatest need, in the following manner and under the following NSP activities. However, due to the shortened program design timeframe of the NSP Program, Lake County must be able to reserve the right to shift funding from one activity to another, from one identified agency to another, and across areas of greatest need as this Substantial Amendment and the NSP program activities are developed. Notwithstanding is the future suitability of abandoned and foreclosed properties, agency capacity, knowledge of and experience with HUD rules and regulations, project readiness, and the balance of project costs versus the income eligible households' ability to qualify for secondary financing. It is hoped that such shifts will not constitute additional Substantial Amendments.

### 1.0 Consortium Housing Activities

#### Consolidated Plan Goal #1.3: Housing Acquisition and Rehabilitation

The acquisition and rehabilitation of abandoned and foreclosed homes and residential properties will occur in one of two ways:

- NSP Rental Housing Program for Single – Family / Multi – Family Homes / Group Homes.
- NSP Housing Program for Single – Family Homes.

**(Agencies to be determined at a later date through a future RFQ competitive application process for non-profit rental agencies) - NSP Rental Housing Program: Property Acquisition and Rehabilitation of Abandoned and Foreclosed Homes and Residential Properties for Single – Family Homes / Multi – Family Homes /Group Homes.**

- 2008 Lake County CDBG – NSP funds: \$1,150,200
- Total program costs are estimated at \$XXX,XXX
- Funding will come from the following sources:
  - \$XX,XXX in private non-NSP lending for primary mortgages.
- Lake County's existing CDBG and HOME funded Homeowner Rehabilitation Program is administered by the Affordable Housing Corporation of Lake County (AHC).
- North Chicago's existing CDBG and HOME funded Homeowner Rehabilitation Program is administered by the City of North Chicago.
- Waukegan's existing CDBG and HOME funded Homeowner Rehabilitation Program is administered by the City of Waukegan.
- Program Description: The acquisition of vacant, foreclosed, or blighted properties and the rehabilitation/renting of existing single-family/multi-family/group homes. Provides up to \$XX,XXX per property for substantial rehabilitation, including the correction of lead-based paint hazards, for 5 (pending) income-eligible multi-family three to four bedroom unit properties. Assistance may come in the form of low-interest

- amortized loans or deferred loans, depending on the financial situation of the (pending) non-profit agency. NSP funded activities may be initiated by experienced currently designated HOME funded CHDO non-profit organizations or other HOME funded non-profit organizations. Specific neighborhoods, street addresses, and census tract/block groups will have to be identified prior to initiation of NSP activities and the acquisition/rehabilitation of specific foreclosed properties will be dependent upon many cost and time factors, not to mention the availability of foreclosed affordable properties. Rental tenants would include households or families having income at or below 50% of Area Median Income and could also include Section 8 Housing Choice Voucher Homeownership program recipients.
- Acquisition Discount: For individual purchase transactions, the purchase discount is to be at least 5% from the current market appraised value of the home or property. For aggregate purchase transactions, the purchase discount is to be at least 15%.
  - NSP funds used under this activity will be used to meet the 25% low income housing requirement that purchased and redeveloped abandoned or foreclosed upon homes or residential properties will remain affordable, through rental, and will be used to house individuals or families whose incomes does not exceed 50% of Area Median Income. For example, a four person household receiving restricted NSP assisted benefits would qualify at a household income at or below \$37,700.
  - Description of how NSP recipients will ensure continued affordability for NSP assisted housing: Recording of NSP liens/notes/mortgages/deed restrictions will reflect the NSP Period of Affordability, which will be payable back to Lake County upon sale or transfer of the NSP assisted home or property.
  - Description of housing rehabilitation standards that will apply to NSP-assisted activities: The 2003 International Residential Building Code and local municipal building codes will apply to Affordable Housing Corporation-assisted NSP-funded rehabilitation activities. **NC housing standards to be added here.** The 1992 Building Officials and Code Administrators International Inc. (BOCA code), fire safety, and local municipal building codes will apply to Waukegan NSP-funded rehabilitation activities.
  - Rehabilitation activities for Lake County's NSP assisted projects (the remaining 50 non-CDBG entitlement jurisdictions) will be conducted by the Affordable Housing Corporation. Rehabilitation activities for North Chicago's NSP assisted projects will be conducted by the City of North Chicago. Rehabilitation activities for Waukegan's NSP assisted projects will be conducted by the City of Waukegan. Rehabilitation project delivery costs are currently estimated at 10% per NSP assisted house.
  - The number of NSP affordable housing units that will *initially* be made available to low-income households at or below 50% of Area Median Income during each year of NSP program operations is:
    - Lake County/North Chicago/Waukegan – 5 homes within the areas of greatest need as identified by Census Tract/Block Groups under the NSP Program.
    - Numerical and location adjustments would occur in subsequent years and program income keeping within other areas of greatest need as identified Census Tract/Block Groups under the NSP Program.
  - **Affordable rents under the NSP Rental Housing Program shall be the maximum allowable High/Low HOME Rent, as published by HUD from time to time. These rents would also include utilities. If the tenant pays utilities, HUD's utility allowance must be subtracted from the maximum allowable rent to determine the maximum contract rent.**
  - CDBG Eligibility: 24 CFR Part 570.201(a) - Acquisition
  - CDBG Eligibility: 24 CFR Part 570.202(a) – Rehabilitation

- CDBG Eligibility: 24 CFR Part 570.204 – Community based development organizations (but not CHDO operating funded activities).
- CDBG Eligibility: 24 CFR Part 570.206 – Activity Project Delivery Costs as part of an eligible activity.
- HUD National Objective: 24 CFR Part 570.208(a)(2) Limited clientele activity benefiting low income persons (NSP: up to 50% of Area Median Income).
- HUD Matrix Code: 01 – Acquisition, 14G – Acquisition for Rehabilitation
- HUD Matrix Code: 14B – Rehabilitation for multi-units
- Projected Start Date: *March 1, 2009, pending Lake County's receipt of HUD Contracts, the development of additional NSP requirements by HUD (if needed), and the execution of NSP Subrecipient Contracts, whichever comes last.*
- Projected End Date: *December 31, 2012*
- Proposed Program Outcomes:
  - *Acquisition and rehabilitation of at least 5 rental housing units to households that are below 50% of Area Median Income.*
  - *Conversion of substandard rental housing units such that clients will reside in decent, safe, sanitary, and code compliant housing.*
- HUD Objective: *Decent Housing*
- HUD Outcome: *Affordability*
- This project funds a **Medium Priority** need for the Cities of North Chicago and Waukegan and for the County Consortium and Lake County as referenced in the Lake County Consortium's 2005 – 2009 Housing and Community Development Consolidated Plan.
- Agency Location: Agency location to be determined at a later date through a future RFQ competitive application process for non-profit rental agencies.
- Project Location: Scattered sites or site-specific neighborhoods throughout Lake County, within identified areas of greatest need, including the CDBG entitlement jurisdictions of North Chicago and Waukegan.

**Affordable Housing Corporation of Lake County/North Chicago/Waukegan – NSP Single Family Housing Program: Property Acquisition and Rehabilitation of Abandoned and Foreclosed Homes and Residential Properties for Single-Family Homes.**

- 2008 Lake County CDBG – NSP funds: \$2,990,520
- Total program costs are estimated at \$XXX,XXX
- Funding will come from the following sources:
  - \$XX,XXX in private non-NSP lending for primary mortgages.
- Lake County's existing CDBG and HOME funded Homeowner Rehabilitation Program is administered by the Affordable Housing Corporation of Lake County (AHC).
- North Chicago's existing CDBG and HOME funded Homeowner Rehabilitation Program is administered by the City of North Chicago.
- Waukegan's existing CDBG and HOME funded Homeowner Rehabilitation Program is administered by the City of Waukegan.
- Program Description: The acquisition of vacant, foreclosed, or blighted properties and the rehabilitation/re-sale of existing homes. Provides up to \$XX,XXX per property for substantial rehabilitation, including the correction of lead-based paint hazards, for 15 (pending) income-eligible owner-occupied one to four unit single family properties. Assistance may come in the form of low-interest amortized loans or deferred loans, depending on the financial situation of the (pending) homeowner. Specific neighborhoods, street addresses, and census tract/block groups will have to be

- identified prior to initiation of NSP activities and the acquisition/rehabilitation of specific foreclosed properties will be dependent upon many cost and time factors, not to mention the availability of foreclosed affordable properties. It is currently anticipated that the acquisition of an abandoned or foreclosed home or residential property would occur either: 1) in advance by the Affordable Housing Corporation/North Chicago/Waukegan; or 2) during the NSP assisted homebuyer's Housing Counseling sessions and pre-qualification for mortgage assistance. If a home acquired under the NSP Program can not be quickly re-sold to an income eligible household it will be held for agency rental purposes, leased with an option to buy for a future income eligible household, or temporarily left vacant and sold at a later date to an income eligible household.
- Acquisition Discount: For individual purchase transactions, the purchase discount is to be at least 5% from the current market appraised value of the home or property. For aggregate purchase transactions, the purchase discount is to be at least 15%.
  - Description of how NSP recipients will ensure continued affordability for NSP assisted housing: Recording of NSP liens/notes/mortgages/deed restrictions will reflect the NSP Period of Affordability, which will be payable back to Lake County upon sale or transfer of the NSP assisted home or property.
  - Description of housing rehabilitation standards that will apply to NSP-assisted activities: The 2003 International Residential Building Code and local municipal building codes will apply to Affordable Housing Corporation NSP-funded rehabilitation activities. **NC housing standards to be added here.** The 1992 Building Officials and Code Administrators International Inc. (BOCA code), fire safety, and local municipal building codes will apply to Waukegan NSP-funded rehabilitation activities.
  - Rehabilitation activities for Lake County's NSP assisted projects (the remaining 50 non-CDBG entitlement jurisdictions) will be conducted by the Affordable Housing Corporation. Rehabilitation activities for North Chicago's NSP assisted projects will be conducted by the City of North Chicago. Rehabilitation activities for Waukegan's NSP assisted projects will be conducted by the City of Waukegan. Rehabilitation project delivery costs are currently estimated at 10% per NSP assisted house.
  - The number of NSP affordable housing units that will initially be made available to low-, moderate-, and middle income households at or below 120% of Area Median Income during each year of NSP program operations is:
    - Lake County – 5 homes within the areas of greatest need as identified by Census Tract/Block Groups under the NSP Program.
    - North Chicago – 5 homes within the areas of greatest need as identified by Census Tract/Block Groups under the NSP Program.
    - Waukegan – 5 homes within the areas of greatest need as identified by Census Tract/Block Groups under the NSP Program.
    - Numerical and location adjustments would occur in subsequent years and program income keeping within other areas of greatest need as identified Census Tract/Block Groups under the NSP Program.
  - CDBG Eligibility: 24 CFR Part 570.201(a) - Acquisition
  - CDBG Eligibility: 24 CFR Part 570.202(a) – Rehabilitation
  - CDBG Eligibility: 24 CFR Part 570.206 – Activity Project Delivery Costs as part of an eligible activity.
  - HUD National Objective: 24 CFR Part 570.208(a)(2) Limited clientele activity benefiting low, moderate, and middle income persons (NSP: up to 120% of Area Median Income).
  - HUD Matrix Code: 01 – Acquisition, 14G – Acquisition for Rehabilitation
  - HUD Matrix Code: 14A – Rehabilitation for single-units

- Projected Start Date: *March 1, 2009, pending Lake County's receipt of HUD Contracts, the development of additional NSP requirements by HUD (if needed), and the execution of NSP Subrecipient Contracts, whichever comes last.*
- Projected End Date: *December 31, 2012*
- Proposed Program Outcomes:
  - *Acquisition and rehabilitation and re-sale into homeownership of at least 15 housing units to households that are below 120% of Area Median Income.*
  - *Conversion of substandard housing units such that clients will reside in decent, safe, sanitary, and code compliant housing.*
- HUD Objective: *Decent Housing*
- HUD Outcome: *Affordability*
- This project funds a **High Priority** need for the Cities of North Chicago and Waukegan and a **Medium Priority** need for the County Consortium and Lake County as referenced in the Lake County Consortium's 2005 – 2009 Housing and Community Development Consolidated Plan.
- Agency Location: 3701 West Grand Avenue, Gurnee (Affordable Housing Corporation); 1850 Lewis Avenue, North Chicago (North Chicago); and 100 N. Martin Luther King Jr. Avenue, Waukegan (Waukegan).
- Project Location: Scattered sites or site-specific neighborhoods throughout Lake County, within identified areas of greatest need, including the CDBG entitlement jurisdictions of North Chicago and Waukegan.

**(Unknown at the present time) – NSP Financing Mechanisms for Purchase and Redevelopment.**

- 2008 Lake County CDBG – NSP funds: \$0 -- if it is determined that additional NSP financing mechanisms would be an NSP component, funds will need to be transferred here.
- Total program costs are estimated at \$XXX,XXX
- Funding will come from the following sources:
  - \$XX,XXX in private non-NSP lending for primary mortgages.
- Lake County's existing CDBG and HOME funded Homeowner Rehabilitation Program is administered by the Affordable Housing Corporation of Lake County (AHC).
- North Chicago's existing CDBG and HOME funded Homeowner Rehabilitation Program is administered by the City of North Chicago.
- Waukegan's existing CDBG and HOME funded Homeowner Rehabilitation Program is administered by the City of Waukegan.
- Program Description: Establishment of financing mechanisms for the acquisition of vacant, foreclosed, or blighted properties and the rehabilitation of existing homes. Financing may include such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low and moderate income homebuyers. Assistance may come in the form of low-interest amortized loans or deferred loans, not to exceed 20% loan-to-value or \$20,000 per house, depending on the financial situation of the (pending) homeowner. Specific neighborhoods, street addresses, and census tract/block groups will have to be identified prior to initiation of NSP activities and the acquisition/rehabilitation of specific foreclosed properties will be dependent upon many cost and time factors, not to mention the availability of foreclosed affordable properties.
- Acquisition Discount: For individual purchase transactions, the purchase discount is to be at least 5% from the current market appraised value of the home or property. For aggregate purchase transactions, the purchase discount is to be at least 15%.



- Description of how NSP recipients will ensure continued affordability for NSP assisted housing: Recording of NSP liens/notes/mortgages/deed restrictions will reflect the NSP Period of Affordability, which will be payable back to Lake County upon sale or transfer of the NSP assisted home or property.
- Description of housing rehabilitation standards that will apply to NSP-assisted activities: The 2003 International Residential Building Code and local municipal building codes will apply to Affordable Housing Corporation NSP-funded rehabilitation activities. **NC housing standards to be added here.** The 1992 Building Officials and Code Administrators International Inc. (BOCA code), fire safety, and local municipal building codes will apply to Waukegan NSP-funded rehabilitation activities.
- CDBG Eligibility: 24 CFR Part 570.201(a) - Acquisition
- CDBG Eligibility: 24 CFR Part 570.202(a) – Rehabilitation
- CDBG Eligibility: 24 CFR Part 570.201(n) – Direct Homeownership Assistance
- CDBG Eligibility: 24 CFR Part 570.206 – Activity Project Delivery Costs as part of an eligible activity.
- HUD National Objective: 24 CFR Part 570.208(a)(2) Limited clientele activity benefiting low, moderate and middle income persons (NSP: up to 120% of Area Median Income).
- HUD Matrix Code: 01 – Acquisition, 14G – Acquisition for Rehabilitation
- Projected Start Date: *March 1, 2009, pending Lake County's receipt of HUD Contracts, the development of additional NSP requirements by HUD (if needed), and the execution of NSP Subrecipient Contracts, whichever comes last.*
- Projected End Date: *December 31, 2012*
- Proposed Program Outcomes:
  - *Acquisition and rehabilitation and re-sale into homeownership of at least 15 housing units to households that are below 120% of Area Median Income.*
  - *Conversion of substandard housing units such that clients will reside in decent, safe, sanitary, and code compliant housing.*
- HUD Objective: *Decent Housing*
- HUD Outcome: *Affordability*
- This project funds a **High Priority** need for the Cities of North Chicago and Waukegan and a **Medium Priority** need for the County Consortium and Lake County as referenced in the Lake County Consortium's 2005 – 2009 Housing and Community Development Consolidated Plan.
- Agency Location: Unknown at the present time.
- Project Location: Scattered sites or site-specific neighborhoods throughout Lake County, within identified areas of greatest need, including the CDBG entitlement jurisdictions of North Chicago and Waukegan.

**(Unknown at the present time) – NSP Land Bank.**

- 2008 Lake County CDBG – NSP funds: \$0 --- if it is determined that a land bank would be an NSP component; funds will need to be transferred here.
- Total program costs are estimated at: To be determined.
- Funding will come from the following sources:
  - **\$XX,XXX** in private non-NSP lending.
- Lake County's existing CDBG and HOME funded Homeowner Rehabilitation Program is administered by the Affordable Housing Corporation of Lake County (AHC).
- North Chicago's existing CDBG and HOME funded Homeowner Rehabilitation Program is administered by the City of North Chicago.

- Waukegan's existing CDBG and HOME funded Homeowner Rehabilitation Program is administered by the City of Waukegan.
- Program Description: The establishment of bank banks of NSP-assisted acquired vacant, foreclosed, or blighted properties and the rehabilitation/re-sale of existing homes. Provides up to \$XXX,XXX per property for substantial rehabilitation, including the correction of lead-based paint hazards, for T.B.D. (pending) income-eligible owner-occupied one to four unit single family properties. Assistance may come in the form of low-interest amortized loans or deferred loans, depending on the financial situation of the (pending) homeowner. Specific neighborhoods, street addresses, and census tract/block groups will have to be identified prior to initiation of NSP activities and the acquisition/rehabilitation of specific foreclosed properties will be dependent upon many cost and time factors, not to mention the availability of foreclosed affordable properties.
- Acquisition Discount: For individual purchase transactions, the purchase discount is to be at least 5% from the current market appraised value of the home or property. For aggregate purchase transactions, the purchase discount is to be at least 15%.
- Description of how NSP recipients will ensure continued affordability for NSP assisted housing: Recording of NSP liens/notes/mortgages/deed restrictions will reflect the NSP Period of Affordability, which will be payable back to Lake County upon sale or transfer of the NSP assisted home or property.
- Description of housing rehabilitation standards that will apply to NSP-assisted activities: The 2003 International Residential Building Code and local municipal building codes will apply to Affordable Housing Corporation NSP-funded rehabilitation activities. NC housing standards to be added here. The 1992 Building Officials and Code Administrators International Inc. (BOCA code), fire safety, and local municipal building codes will apply to Waukegan NSP-funded rehabilitation activities.
- CDBG Eligibility: 24 CFR Part 570.201(a) - Acquisition
- CDBG Eligibility: 24 CFR Part 570.202(a) – Rehabilitation
- CDBG Eligibility: 24 CFR Part 570.201(b) - Disposition
- CDBG Eligibility: 24 CFR Part 570.206 – Activity Project Delivery Costs as part of an eligible activity.
- HUD National Objective: 24 CFR Part 570.208(a)(2) Limited clientele activity benefiting low, moderate and middle income persons (NSP: up to 120% of Area Median Income).
- HUD Matrix Code: 01 – Acquisition, 14G – Acquisition for Rehabilitation
- Projected Start Date: *March 1, 2009, pending Lake County's receipt of HUD Contracts, the development of additional NSP requirements by HUD (if needed), and the execution of NSP Subrecipient Contracts, whichever comes last.*
- Projected End Date: *December 31, 2012*
- Proposed Program Outcomes:
  - *Acquisition and rehabilitation and re-sale into homeownership of at least 15 housing units to households that are below 120% of Area Median Income.*
  - *Conversion of substandard housing units such that clients will reside in decent, safe, sanitary, and code compliant housing.*
- HUD Objective: *Decent Housing*
- HUD Outcome: *Affordability*
- This project funds a **High Priority** need for the Cities of North Chicago and Waukegan and a **Medium Priority** need for the County Consortium and Lake County as referenced in the Lake County Consortium's 2005 – 2009 Housing and Community Development Consolidated Plan.

- Agency Location: Unknown at the present time.
- Project Location: Scattered sites or site-specific neighborhoods throughout Lake County, within identified areas of greatest need, including the CDBG entitlement jurisdictions of North Chicago and Waukegan.

Subrecipient/Project Sponsor	Total Project Cost	CDBG-NSP	Proposed Outcomes
(Agencies to be determined at a later date through a future RFQ competitive application process for non-profit rental agencies)	\$XXX,XXX	\$1,150,200	5 households
Affordable Housing Corporation/Waukegan/North Chicago	\$XXX,XXX	\$2,990,520	15 households
NSP Financing Mechanisms (unknown at the present time)	\$XXX,XXX	\$0	Households already included
NSP Land Bank (unknown at the present time)	\$0	\$0	0 households
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$4,140,720</b>	<b>20 households</b>

## Consolidated Plan Goal #1.4: Homebuyer Assistance

### Affordable Housing Corporation of Lake County – NSP First Time Home Buyer Assistance Program (FTHB)/ Affordable Plus Mortgage Program (APM)

- 2008 Lake County CDBG – NSP Funds: \$0
- Total program costs are estimated at \$XXX,XXX
- Additional funding will come from the following sources:
  - \$XX,XXX from XXXXXXXX
- Lake County's existing CDBG and HOME funded Homebuyer Assistance (FTHB/APM) Programs are administered by the Affordable Housing Corporation of Lake County (AHC). Depending on the household's income eligibility, additional HOME funds along with other private financing will provide mortgage funds.
- Program Description: Provision of direct homeownership assistance to first-time homebuyers up to \$3/5/\$8,000 in HOME funds and \$14,000 in IHDA funds (if the household income is at or below 80%), \$17,000 to \$22,000 in soft second NSP financing (if the household income is at or below 120%), and a \$35,000 fixed rate Private Lending Consortium Loan Pool loans at 4% as purchase assistance that covers the secondary acquisition of abandoned and foreclosed homes, post-rehab, to be used for downpayment, closing costs, and/or interest buydowns to assist 15 NSP-funded first time homebuyers who earn less than 120% of the area median income. Specific neighborhoods, street addresses, and census tract/block groups will have to be identified prior to initiation of NSP activities and the acquisition/rehabilitation of specific foreclosed properties will be dependent upon many cost and time factors, not to mention the availability of foreclosed affordable properties.
- Priority emphasis under the NSP-funded activities will include:
  - Targeting prospective homebuyers receiving public housing assistance or living in public or manufactured housing. Outreach meetings and written



materials will be provided to municipalities, real estate agents, social service agencies, and the Lake County/North Chicago/Waukegan Housing Authorities.

- Pre-purchase homebuyer education and foreclosure prevention education to prospective homebuyers.
- **Federal and State** purchase assistance will be structured in the form of 0% loans payable by the homeowner upon sale or transfer of the property or upon default. **Can existing programs be expanded to the 120% NSP income range?**
- The Affordable Housing Corporation will receive a project delivery fee of \$1/2,000 per FTHB/APM assisted household.
- 2008 Lake County Consortium HOME funds, additional funding through the Illinois Housing Development Authority, and a private consortium of area banks will provide post-rehab FTHB assistance.
- CDBG Eligibility: 24 CFR Part 570.201 (n) – Direct Homeownership Assistance
- HUD National Objective: 24 CFR Part 570.208(a)(2) Limited clientele activity benefiting low, moderate and middle income persons (NSP: up to 120% of Area Median Income).
- HUD Matrix Code: 13 – Direct Homeownership Assistance
- Projected Start Date: *March 1, 2009, pending Lake County's receipt of HUD Contracts, the development of additional NSP requirements by HUD (if needed), and the execution of NSP Subrecipient Contracts, whichever comes last.*
- Projected End Date: *December 31, 2012*
- Proposed Program Outcomes:
  - *Acquisition and rehabilitation and re-sale into homeownership of at least 15 housing units to households that are below 120% of Area Median Income.*
  - *Conversion of substandard housing units such that clients will reside in decent, safe, sanitary, and code compliant housing.*
- HUD Objective: *Decent Housing*
- HUD Outcome: *Affordability*
- This project funds a **Medium Priority** need for the Cities of North Chicago and Waukegan and for the County Consortium and Lake County as referenced in the Lake County Consortium's 2005 – 2009 Housing and Community Development Consolidated Plan.
- Agency Location: 3701 West Grand Avenue, Gurnee
- Project Location: Scattered sites or site-specific neighborhoods throughout Lake County, within identified areas of greatest need, including the CDBG entitlement jurisdictions of North Chicago and Waukegan.

Subrecipient/Project Sponsor	Total Project Cost	HOME / IHDA / Other	Proposed Outcomes
Affordable Housing Corporation	\$X,XXX,XXX	\$XX,XXX	20 (already counted) Households
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>20 Households</b>

## Consolidated Plan Goal #1.5: Housing Counseling

### Affordable Housing Corporation of Lake County – Housing Counseling Program

- 2008 Lake County CDBG – NSP Funds: \$XX,XXX
- Total program costs are estimated at \$XXX,XXX
- Program Description: The Lake County Affordable Housing Corporation will carry out a housing education and counseling program in connection with its NSP-funded Housing Rehabilitation programs and the Cities of North Chicago and Waukegan NSP-funded Housing Rehabilitation programs. At least 8 hours of housing counseling assistance is required under the NSP program including financial literacy assistance and individual household case management/follow-up. Public services for housing counseling will be provided only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of NSP-funded redeveloped properties.
- While there are other housing counseling agencies in Lake County (including the Lake County Housing Authority, Lake County Community Action, Catholic Charities, and Consumer Credit Counseling Service), the Lake County Affordable Housing Corporation already provides HUD-required housing counseling under the CDBG and HOME Programs.
- CDBG Eligibility: 24 CFR Part 570.201 (e) – Public Services for Housing Counseling
- HUD National Objective: 24 CFR Part 570.208(a)(2) Limited clientele activity benefiting low, moderate and middle income persons (NSP: up to 120% of Area Median Income).
- HUD Matrix Code: 05 – Public Services
- Projected Start Date: *March 1, 2009, pending Lake County's receipt of HUD Contracts, the development of additional NSP requirements by HUD (if needed), and the execution of NSP Subrecipient Contracts, whichever comes last.*
- Projected End Date: *December 31, 2012*
- Proposed Program Outcomes:
  - *XX housing counseling sessions will be held that will be attended by XX individual households, such that improved financial access and knowledge of homeownership responsibilities will result in lower financial difficulties by NSP assisted homeowners.*
- HUD Objective: *Decent Housing*
- HUD Outcome: *Affordability*
- Housing Counseling programs are a **Medium Priority** need for the Cities of North Chicago and Waukegan and the County Consortium and Lake County as referenced in the Lake County Consortium's 2005 – 2009 Housing and Community Development Consolidated Plan.
- Agency Location: 3701 West Grand Avenue, Gurnee
- Project Location: 3701 West Grand Avenue, Gurnee

## **Consolidated Plan Goal #3.5: Administration and Planning**

### **3.5.1 Program Administration and Planning**

#### **Lake County Department of Planning, Building, and Development – CDBG NSP Program Administration**

- 2008 Lake County CDBG – NSP Administration Funds: \$450,800
- Program Description: These funds will be used primarily for the general management, oversight and coordination of the Community Development Block Grant funded Neighborhood Stabilization Program.
- A portion of these funds will also be used for planning costs in connection with the development and certification of the NSP Addendum to the 2008 Annual Action Plan, the development of various performance report documents, and the development of continued application procedures in addition to general NSP project and program management activities. In addition, some of these funds may be used for special planning studies (if needed or requested). These funds will also be used to provide technical assistance for prospective CDBG funded NSP eligible local governments and/or non-profit agencies, NSP related training/workshops, and review of NSP funded project performance.
- Included as project administration activities is the County-wide standardization of NSP-related costs for:
  - contracted title services to identify/confirm post-foreclosure ownership (1 per house estimated at \$100 each);
  - appraisal services for post-foreclosure Fair Market Value determinations and post-rehabilitation housing purchase valuations (2 per house estimated at \$300 each);
  - legal representation to ensure NSP-required program and legal compliance during the acquisition of foreclosed properties for upfront legal costs (estimated at \$1000 per house) and at each post-rehabilitation closing (1 per house estimated at \$350 each); and
  - contracted title services to identify/confirm post-closing NSP-required low and moderate income ownership, including NSP household eligibility and NSP period of affordability restrictions (1 per house estimated at \$100 each).
- These funds will also be used to distribute and provide program advocacy regarding the 2010 – 2014 Housing and Community Development Consolidated Plan and its respective program needs statements, goals, and strategies as they relate to the NSP program.
- CDBG Eligibility: 24 CFR Part 570.205 and 24 CFR Part 570.206
- HUD Matrix Code: 21A
- Project Start Date: *October 1, 2008 (NSP regulations provide for reimbursement of pre-award costs)*
- Projected End Date: *December 31, 2012*

#### **Affordable Housing Corporation of Lake County**

- 2008 Lake County CDBG – NSP Administration Funds: \$10,000
- Program Description: These funds will be used for NSP-required compliance inspections of initial, on-going, and final occupancy inspections for potential NSP-funded acquisition and rehabilitation of abandoned or foreclosed single family and/or rental projects. It is estimated that 4 – 5 individual site visits are needed per housing unit (1 post-foreclosure inspection to identify the extent of needed rehabilitation activities and 3 – 4 pre/post rehabilitation inspections. including coordination with appropriate Village Building Department inspections).
- CDBG Eligibility: 24 CFR Part 570.206
- HUD Matrix Code: 21A

- Projected Start Date: *March 1, 2009, pending Lake County's receipt of HUD Contracts, the development of additional NSP requirements by HUD (if needed), and the execution of NSP Subrecipient Contracts, whichever comes last.*
- Projected End Date: *December 31, 2012*

## **MONITORING STANDARDS AND PROCEDURES**

NSP funded affordable housing activities will be monitored through the existing parameters of the CDBG/HOME Housing Fund process utilized by Lake County and its staff. Monitoring Standards and Procedures are currently identified in the Lake County Consortium's 2008 Annual Action Plan (Section 7.0, page 88 through page 90 for program-wide and housing monitoring practices) and its corresponding 2007 CAPER Performance Report (Section J, page 75 through page 78 for program-wide and housing monitoring practices).

## 2008 NSP CERTIFICATIONS

- (1) **Affirmatively further fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds ≤ 120% of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose income does not exceed 120 percent of area median income.
- (11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

\_\_\_\_\_  
Signature/Authorized Official

\_\_\_\_\_  
Date

Chair, Lake County Board  
Title

## CROSS REFERENCE TABLE OF HUD REQUIREMENTS NSP SUBSTANTIAL AMENDMENT

NSP Application Checklist Item	HUD Requirement	Page	Description
<b>Substantial Amendment elements required for the Neighborhood Stabilization Program:</b>	<b>Contents of an NSP Action Plan Substantial Amendment</b>		
	<b>SF-424 HUD Form</b>	Front of application packet	
	<b>NSP Application</b>		NSP Addendum document is the NSP Application.
<b>Jurisdiction:</b> <b>Web Address:</b> <b>NSP Contact Person:</b> <b>Address:</b> <b>Telephone:</b> <b>Fax:</b> <b>Email:</b>	<b>Lake County, Illinois (as lead agency)</b> <a href="http://www.co.lake.il.us/planning/cd">www.co.lake.il.us/planning/cd</a> <b>Vern A. Witkowski</b> <b>18 N. County Street – 6<sup>th</sup> Floor</b> <b>Waukegan, Illinois 60085 - 4356</b> <b>(847) 377- 2150</b> <b>(847) 360 - 6734</b> <b>Communitydevelopment@co.lake.il.us</b>		
<b>A.</b>	<b>AREAS OF GREATEST NEED</b>		
	Summary needs data identifying the NSP recipient's geographic areas of greatest need.		See Executive Summary – Description of Key Projects
	Brief description of the NSP recipient's areas of greatest need (i.e. census tracts, target areas). <i>(originally requested in draft checklist)</i>		<ul style="list-style-type: none"> <li>See Property Identification: Priority for Areas of Greatest Need</li> <li>See geographic maps of Appendix XX, XX, and XX.</li> </ul>
	Use of HUD developed foreclosure and abandonment risk score that assists the NSP recipient's targeting the areas of greatest need. <i>(originally requested in draft checklist)</i>		<ul style="list-style-type: none"> <li>See Property Identification: Priority for Areas of Greatest Need</li> <li>See Appendix XX and Map XX.</li> </ul>
<b>B.</b>	<b>DISTRIBUTION AND USES OF FUNDS (3 stipulated need categories per NSP statutes)</b>		



	Narrative describing how the distribution and uses of NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be: (1) distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures; (2) with the highest percentage of homes financed by a subprime mortgage related loan; and (3) identified as likely to face a significant rise in the rate of home foreclosures.		<ul style="list-style-type: none"> <li>See Property Identification: Priority for Areas of Greatest Need</li> <li>See Appendix XX, XX, and XX and Maps XX, XX, and XX.</li> </ul>
	Consideration of other need categories.		See paragraph regarding “other non-NSP stipulated need categories”.
<b>C.</b>	<b>DEFINITIONS AND DESCRIPTIONS (for the purposes of the NSP Program)</b>		
	Definition of “blighted structures” in context of state or local law.		See NSP Definitions Appendix.
	Definition of “affordable rents”.		See NSP Definitions Appendix.
	Narrative description of how NSP recipients will ensure continued affordability for NSP assisted housing.		<ul style="list-style-type: none"> <li>See third paragraph of NSP Income Eligibility and NSP Period of Affordability.</li> <li>See relevant bullets of Activity Descriptions.</li> </ul>
	Narrative description of housing rehabilitation standards that will apply to NSP assisted activities.		<ul style="list-style-type: none"> <li>See relevant bullets of Activity Descriptions.</li> </ul>
<b>D.</b>	<b>LOW INCOME TARGETING</b>		
	Description how the NSP recipient will meet the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes does not exceed 50% of Area Median Income.		<ul style="list-style-type: none"> <li>See Executive Summary – NSP Targeting.</li> </ul>
	<p>Identification of the estimated percentage (<i>originally requested in draft checklist</i>) / amount (<i>requested in current checklist</i>) of funds appropriated or otherwise made available will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes does not exceed 50% of Area Median Income.</p> <p>Amount budgeted for low income targeting.</p>		<ul style="list-style-type: none"> <li>See Notes Regarding the NSP Program Funding Recommendation Table.</li> <li>See second paragraph of NSP Income Eligibility and NSP Period of Affordability.</li> <li>See sixth bullet point of NSP Rental Housing Program Activity Description.</li> <li>See NSP Program</li> </ul>

			Funding Recommendation Table. ▪ See first paragraph of NSP Rental Housing Program Activity Description.
<b>E.</b>	<b>ACQUISITION AND RELOCATION (requested in current checklist)</b>		
	Does the NSP recipient plan to demolish or convert any low- and moderate-income dwelling units? Yes / No (if no – continue to next heading)		<b>NO</b>
	If so, does the Substantial Amendment include:		
	<ul style="list-style-type: none"> <li>○ The number of low- and moderate-income dwelling units (i.e., ≤ 80% of Area Median Income) reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?</li> </ul>		<b>N/A</b>
	<ul style="list-style-type: none"> <li>○ The number of NSP affordable housing units made available to low-, moderate-, and middle income households (i.e., ≤ 120% of Area Median Income) reasonably expected to be produced by activity and income level, by each NSP activity producing such housing (including a proposed time schedule for commencement and completion)?</li> </ul>		<b>N/A</b>
	<ul style="list-style-type: none"> <li>○ The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50% of Area Median Income?</li> </ul>		<b>N/A</b>
<b>F.</b>	<b>PUBLIC COMMENT PERIOD</b>		
	Identification of how proposed Action Plan Amendment was published through NSP recipient's usual methods and on the Internet for no less than 15 calendar days of public comment.		See Citizen Participation section..
	Inclusion of citizen comments in the final Action Plan Amendment and how the comments were specifically and adequately addressed by the NSP recipient ( <i>originally requested in draft checklist</i> )		See Citizen Participation section.
	Summary of citizen comments included in the final Action Plan Amendment ( <i>requested in current checklist</i> ).		See Citizen Participation section.
<b>G.</b>	<b>INFORMATION BY ACTIVITY</b>		
	Eligible uses of NSP funds.		See "Program Description" bullet points.
	NSP correlated eligible activity under CDBG.		See "CDBG Eligibility" citations.
	Areas of greatest needs addressed by each activity.		See "Project Location" bullet points.
	Expected benefit to income-qualified persons or households or areas.		See "HUD National Objective" bullet

			points.
	Does the NSP recipient indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose income does not exceed 50% of Area Median Income ( <i>requested in current checklist</i> ).		<b>YES</b>
	Appropriate performance measures for each activity (e.g., units of housing to be acquired, rehabilitated, or demolished for the NSP income levels).		See “Proposed Program Outcomes” bullet points.
	Amount of funds budgeted for each activity.		See the first one - three bullet points for each activity description.
	Name, location and contact information of the entity that will carry out the activity ( <i>contact information requested in current checklist</i> ).		Agency Name is identified at the beginning of each NSP activity. See “Agency Location” bullet points.
	Expected start and end dates for each activity.		See “Projected Start Date” and “Projected End Date” bullet points.
	If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties.		See “Acquisition Discount” bullet points.
	If the activity provides financing, the range of interest rates (if any).		See First Time Homebuyer Assistance bullet point.
	If the activity provides housing, the duration or term of assistance.		See relevant bullet points of NSP activity descriptions.
	The tenure of beneficiaries (e.g., rental or homeownership).		See relevant bullet points of NSP activity descriptions
	Does the design of home building activities ensure continued affordability ( <i>originally requested in draft checklist</i> )?		See relevant bullet points of NSP activity descriptions
	Does the NSP recipient ensure continued affordability ( <i>requested in current checklist</i> )?		See relevant bullet points of NSP activity descriptions
	Does the applicant indicate which activities will count toward the <b>low and moderate income</b> requirement at 2301(f)(3)(A)(ii)? ( <i>originally requested in draft checklist</i> )		<b>YES</b>
<b>H.</b>	<b>CERTIFICATIONS</b>		
	Affirmatively furthering fair housing		
	Anti-lobbying		
	Authority of Jurisdiction		
	Consistency with Plan		

	Acquisition and Relocation		
	Section 3		
	Citizen Participation		
	Following Plan		
	Use of Funds in 18 months		
	Use of NSP funds <=120% of Area Median Income		
	No recovery of capital costs thru Special Assessments ( <i>requested in current checklist</i> )		
	Excessive Force		
	Compliance with anti-discrimination laws		
	Compliance with lead-based paint procedures		
	Compliance with laws		
<b>XX.</b>	<b>CONTACT INFORMATION</b>		
	Inclusion of contact information so that citizens and other interested parties know whom to contact for additional information. ( <i>originally requested in draft checklist</i> )		See HUD Standard Form 424
<b>XY.</b>	<b>WEBSITE PUBLICATION</b> ( <i>originally requested in draft checklist</i> ) <b>Were the following documents available on the NSP recipient's website</b> ( <a href="http://www.co.lake.il.us/planning/cd">www.co.lake.il.us/planning/cd</a> )?;		
	SF-424 HUD forms		<b>YES</b>
	Proposed Action Plan Amendment		<b>YES</b>
	Final Action Plan Amendment		<b>YES</b>

**SOURCE:**

Original Draft NSP Application Review Checklists provided to Lake County Staff by HUD.

NSP Grant Submission Template and Checklist documentation, including the NSP Substantial Amendment Checklist, last downloaded and confirmed October 29, 2008  
(<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/nsptemplate.doc>)

**NOTE:**

NSP Addendum and NSP Certifications include both original checklist items and most recent checklist items.

**CITIZEN PARTICIPATION NOTICE**  
**2005 – 2009 HOUSING AND COMMUNITY DEVELOPMENT**  
**CONSOLIDATED PLAN**  
**NSP ADDENDUM TO THE PY2008 ANNUAL ACTION PLAN**

**Lake County Consortium**

The Lake County Community Development Commission is accepting citizen comments regarding its **draft** Neighborhood Stabilization Program (NSP) Addendum to the PY2008 Annual Action Plan component of the 2005 - 2009 Housing and Community Development Consolidated Plan.

**NSP ADDENDUM TO THE ANNUAL ACTION PLAN**

The Lake County Consortium will be submitting an NSP Addendum to the PY2008 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD). The NSP Addendum guides the allocation and expenditure of additional Community Development Block Grant – style Neighborhood Stabilization Program (NSP) funds. Proposed activities for the \$4,600,800 in NSP funds can only be used for the acquisition of abandoned and foreclosed upon properties that can be acquired, rehabilitated and sold/rented as affordable housing for income eligible families whose income is at or below 120% of Area Median Income (for example, a four person household having an income at or below \$90,500).

Foreclosure prevention and mortgage assistance **are not** eligible uses of NSP funds.

Proposed NSP funded activities by governmental and non-profit agencies may include one or more of the following affordable housing activities: NSP Rental Housing Program - Acquisition and Rehabilitation Program for Group Homes / Multi-Family Homes; NSP Single Family Housing Program - Acquisition and Rehabilitation Program for Single Family Homes; NSP Financing Mechanisms for Purchase and Redevelopment; NSP Land Bank; NSP First Time Homebuyer Assistance Program; Homebuyer Counseling Program; NSP Program Administration; and related NSP housing inspection activities.

An important part of the process of developing the original Consolidated Plan, the annual Action Plans, and this **draft** NSP Addendum is citizen participation and input. All interested parties, including citizens, local officials, and agency representatives are invited and urged to provide verbal and / or written comments.

**Questions, comments, and requests for information related to the NSP Addendum may be submitted to:** Community Development Commission staff by calling (847) 377-2150 or by writing to: Lake County Department of Planning, Building and Development – Community Development Division; 18 N. County Street – 6<sup>th</sup> Floor; Waukegan, IL 60085.

**Written comments on the proposed NSP Addendum are being solicited through November 17, 2008.** Written comments may be directed to the Lake County Department of Planning, Building, and Development; Community Development Division; 18 North County Street – 6<sup>th</sup> Floor, Waukegan, IL 60085. Written comments must be received by 5:00 p.m. on November 17, 2008 in order to receive consideration.

**Copies of the draft NSP Addendum will be available for public review and comment, as of November 3, 2008, at the following locations:** Lake County Department of Planning, Building and Development; 18 N. County Street – 6<sup>th</sup> Floor, Waukegan (Phone: 377-2150); City of North Chicago Community Development Office, 1850 Lewis Avenue (Phone: 596-8670); City of Waukegan Community Development Block Grant Office, 100 N. Martin Luther King Jr. Avenue (Phone: 599-2530); North Chicago Public Library; Waukegan Public Library; Highland Park Public Library; Round Lake Area Public Library; and Wauconda Public Library. Information related to the NSP Addendum and other Lake County Consortium federally funded programs can be accessed through the following web page: <http://www.co.lake.il.us/planning/cd>.

## NSP DEFINITIONS

**Abandoned:** A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.

**Affordable rents:** The maximum allowable High HOME Rent, as published by HUD from time to time. These rents would also include utilities. If the tenant pays utilities, HUD's utility allowance must be subtracted from the maximum allowable rent to determine the maximum contract rent. To ensure that tenants can afford their rent, no more than 30% of a household's monthly income should be paid toward housing expenses, in compliance with NSP program specific requirements such as continued affordability.

**Blighted structure:** A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.

**Current market appraised value:** The current market appraised value means the value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with the appraisal requirements of the URA at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property by a grantee, subrecipient, developer, or individual homebuyer.

**Foreclosed:** A property "has been foreclosed upon" at the point that, under state or local law, the mortgage or tax foreclosure is complete. HUD will generally not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure in accordance with state or local law.

**Land bank:** A land bank is a governmental or nongovernmental nonprofit entity established, at least in part, to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property. For the purposes of the NSP program, a land bank will operate in a specific, defined geographic area. It will purchase properties that have been abandoned or foreclosed upon and maintain, assemble, facilitate redevelopment of, market, and dispose of the land-banked properties. If the land bank is a governmental entity, it may also maintain abandoned or foreclosed property that it does not own, provided it charges the owner of the property the full cost of the service or places a lien on the property for the full cost of the service.

**Low and moderate income household:** A household having an income equal to or less than 120% of area median income measured as 2.4 times the current Section 8 income limit for households below 50% of median income, adjusted for family size.

**Period of Affordability:** NSP-assisted rental units must remain affordable for the following terms (based on the average HOME subsidy per unit). Enforcement of the affordability period will be through mortgage and deed restrictions.

Rehabilitation of less than \$15,000	5 years
Rehabilitation of \$15,000 - \$40,000	10 years
Rehabilitation of \$40,000 +	15 years



**Use:** Funds are used when they are obligated by a state, unit of general local government, or any subrecipient thereof, for a specific NSP activity, for example, acquisition of a specific property. Funds are obligated for an activity when orders are placed, contracts are awarded, services are received, and similar transactions have occurred that require payment by the state, unit of general local government, or subrecipient during the same or a future period. Note that funds are not obligated for an activity when subawards (e.g., grants to subrecipients or to units of local government) are made.

## WOODSTOCK DATA TABLE

Municipality	2000 Owner Occupied Units	2005 Foreclosure Filings	2006 Foreclosure Filings	2007 Foreclosure Filings	1Q/2Q 2008 Foreclosure Filings	Total Foreclosures from 2005 to 2Q 2008	2005 Foreclosures per 1000 Owner Occupied Units	2006 Foreclosures per 1000 Owner Occupied Units	2007 Foreclosures per 1000 Owner Occupied Units	1Q/2Q 2008 Foreclosures per 1000 Owner Occupied Units	2005 to 2Q 2008 Foreclosures per 1000 Owner Occupied Units
Antioch	2216	29	34	31	27	121	13.09	15.34	13.99	12.18	54.60
Bamookum	204	1	0	0	4	4	4.90	0.00	0.00	19.61	24.51
Barrington	2811	13	18	25	15	71	4.47	6.18	3.89	5.15	24.39
Barrington Hills	1315	7	11	6	6	30	5.32	8.37	4.95	4.58	22.81
Beech Park	3158	28	30	48	37	141	8.87	9.50	14.57	11.72	44.65
Buffalo Grove	13596	50	71	96	92	309	3.68	3.22	7.05	6.77	22.73
Deerfield	5806	18	20	30	21	89	3.10	3.44	5.17	3.62	15.33
Deer Park	987	5	1	7	6	19	5.07	1.01	7.09	6.08	19.25
Forest Lake	485	11	8	12	13	44	22.68	16.49	24.74	28.80	90.72
Fox Lake	2794	42	61	83	50	236	18.03	21.63	29.71	17.90	84.47
Fox River Valley Garden	1413	8	20	12	13	53	3.66	14.15	8.49	9.20	37.51
Gages Lake	290	2	6	7	10	25	6.90	20.69	24.14	34.48	86.21
Grandwood Park	3234	26	28	55	30	139	8.66	17.01	13.29	9.28	42.98
Graylake	1354	38	7	18	9	43	6.65	5.17	14.84	6.65	31.76
Green Oaks	5124	38	63	75	45	219	7.42	12.30	14.84	8.39	42.74
Green Oaks	1046	5	8	5	2	20	4.78	7.65	4.78	1.91	19.12
Gurnee	8229	57	51	66	61	235	6.93	32.46	55.64	32.46	143.74
Hainesville	647	15	21	36	21	93	2.69	4.31	7.00	5.93	19.94
Hawthorn Woods	1856	5	8	13	11	37	3.18	5.73	7.21	6.26	22.38
Highland Park	9427	30	54	68	59	211	5.99	10.48	11.93	7.49	35.93
Highwood	663	4	7	6	5	24	3.18	31.75	47.62	47.62	174.60
Indian Creek	63	2	3	3	3	11	12.17	14.52	22.37	15.70	64.76
Island Lake	2548	31	37	57	40	165	2.70	3.60	3.60	7.20	17.10
Kildeer	1111	3	4	4	8	19	6.09	7.10	9.13	6.09	28.40
Lake Barrington	1972	12	14	18	12	56	2.07	5.17	5.68	4.13	17.05
Lake Bluff	1935	4	10	11	8	33	2.74	2.74	4.97	2.74	13.19
Lake Forest	5938	16	16	29	16	77	8.13	15.63	15.63	10.63	50.00
Lake Villa	1800	13	25	25	34	161	7.10	6.14	11.13	6.53	30.90
Lake Zurich	5210	37	32	58	32	37	18.71	13.14	13.14	2.63	48.62
Lakemoor	761	15	10	10	2	37	3.06	3.74	5.45	3.06	15.32
Libertyville	5975	18	22	32	18	90	3.78	2.84	6.14	5.20	17.96
Lincolnshire	2116	8	6	13	11	38	6.99	8.28	13.72	8.28	37.27
Lincolnshire	3884	27	32	53	32	144	3.27	2.18	4.91	4.91	15.27
Long Grove	1834	6	4	9	9	28	21.88	27.35	43.76	25.16	118.16
Long Lake	914	20	25	40	23	108	0.00	0.00	9.17	0.00	9.17
Mettawa	109	0	0	0	0	1	9.16	11.97	13.87	12.60	47.61
Mundelein	7856	72	94	109	99	374	0.00	4.13	10.32	8.26	22.70
North Barrington	969	0	4	10	8	22	27.54	35.51	50.72	28.99	142.75
North Chicago	2760	76	98	140	80	394	N/A	N/A	N/A	N/A	N/A
Old Mill Creek	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Park City	1647	4	5	4	6	19	2.43	3.04	2.43	3.64	11.54
Riverwoods	1160	4	4	10	12	30	3.45	3.45	8.62	10.34	25.86
Round Lake	1559	39	60	60	57	216	25.02	38.49	38.49	36.56	138.55
Round Lake Beach	6265	138	186	239	176	739	22.03	29.69	38.15	28.09	117.96
Round Lake Heights	348	17	22	25	13	77	48.85	63.22	71.84	37.36	221.26
Round Lake Park	1804	35	44	54	27	160	19.40	24.39	29.93	14.97	88.69
Spring Grove	1097	6	13	15	7	41	5.47	11.85	13.67	6.38	37.37
Third Lake	421	2	3	4	2	11	7.13	9.50	9.50	4.75	26.13
Tower Lakes	444	4	3	0	2	9	9.01	6.76	0.00	4.50	20.27
Vernon Hills	6149	41	56	62	60	219	6.67	9.11	10.08	4.50	35.62
Volo	34	0	1	0	1	2	0.00	29.41	0.00	29.41	59.82
Wadsworth	952	7	11	17	16	51	7.35	11.55	17.86	16.81	53.57
Wauconda	2874	15	32	36	41	124	5.22	11.13	12.53	14.27	43.15
Waukegan	15748	283	427	478	370	1558	17.97	27.11	30.35	23.50	98.93
Winthrop Harbor	1954	20	33	24	31	104	16.89	16.89	12.28	15.86	55.27
Zion	4508	151	195	232	157	735	33.50	43.26	51.46	34.83	163.04
TOTALS	161058	1529	2058	2581	1933	8101					

SOURCE: CMAP provided 2005 - 2008 data-sets of Woodstock Institute foreclosure information.

## **GREATEST NEED: FORECLOSURE TABLE**

**(DATA PER HUD'S WEBSITE)**

## **GREATEST NEED: FORECLOSURE MAP**

**(MAP ACCORDING TO HUD DATA TABLE)**

# GREATEST NEED: SUBPRIME TABLE

## - SUBPRIME MORTGAGE TABLE

Township	City/Village/Unincorporated	Census Tract	Block Group	HUD's HMDA High Cost Loan Rate
Waukegan township	Waukegan city	862300	1	67.5%
Waukegan township	Waukegan city	862300	2	67.5%
Waukegan township	Waukegan city	862300	3	67.5%
Waukegan township	Waukegan city	862300	4	67.5%
Shields township	North Chicago city	863100	1	66.9%
Shields township	North Chicago city	863100	2	66.9%
Shields township	North Chicago city	863100	3	66.9%
Shields township		863001	1	66.7%
Shields township	Lake Bluff village	863001	1	66.7%
Shields township	North Chicago city	863001	1	66.7%
Waukegan township	North Chicago city	863001	1	66.7%
Waukegan township	Waukegan city	862402	1	61.1%
Waukegan township	Waukegan city	862402	2	61.1%
Waukegan township	Waukegan city	862402	3	61.1%
Waukegan township	North Chicago city	862901	1	59.0%
Waukegan township	North Chicago city	862901	2	59.0%
Waukegan township	North Chicago city	862901	3	59.0%
Waukegan township	North Chicago city	862901	4	59.0%
Waukegan township	Waukegan city	862700	1	59.0%
Waukegan township	Waukegan city	862700	2	59.0%
Waukegan township	Waukegan city	862700	3	59.0%
Waukegan township	Waukegan city	862700	4	59.0%
Waukegan township	North Chicago city	862902	1	58.7%
Waukegan township	North Chicago city	862902	2	58.7%
Waukegan township	North Chicago city	862902	3	58.7%
Waukegan township	North Chicago city	862902	4	58.7%
Zion township	Zion city	860302	1	55.0%
Zion township	Zion city	860302	2	55.0%
Zion township	Zion city	860302	3	55.0%
Zion township	Zion city	860500	1	53.4%
Zion township	Zion city	860500	2	53.4%
Zion township	Zion city	860500	3	53.4%
Zion township	Zion city	860500	4	53.4%
Zion township	Zion city	860500	5	53.4%
Waukegan township	Waukegan city	862502	1	52.8%
Waukegan township	Waukegan city	862502	2	52.8%
Zion township	Zion city	860301	1	52.4%
Zion township	Zion city	860301	2	52.4%
Zion township	Zion city	860301	3	52.4%
Waukegan township	Waukegan city	862401	1	51.4%
Waukegan township	Waukegan city	862401	2	51.4%
Waukegan township	Waukegan city	862401	3	51.4%
Waukegan township		862800	2	50.9%
Waukegan township	North Chicago city	862800	1	50.9%
Waukegan township	North Chicago city	862800	2	50.9%
Waukegan township	Waukegan city	862800	2	50.9%
Waukegan township	Waukegan city	861815	1	50.5%
Shields township		863201	3	50.0%
Shields township	North Chicago city	863201	1	50.0%
Shields township	North Chicago city	863201	2	50.0%

Township	City/Village/Unincorporated	Census Tract	Block Group	HUD's HMDA High Cost Loan Rate
Shields township	North Chicago city	863201	3	50.0%
Shields township	Waukegan city	863201	3	50.0%
Waukegan township	Waukegan city	862501	1	49.5%
Waukegan township	Waukegan city	862501	2	49.5%
Waukegan township	Waukegan city	861805	1	48.6%
Waukegan township	Waukegan city	861805	2	48.6%
Waukegan township	Park City city	862604	2	46.4%
Waukegan township	Waukegan city	862604	1	46.4%
Waukegan township	Waukegan city	862604	2	46.4%
Waukegan township	Waukegan city	862604	3	46.4%
Avon township		861303	1	46.2%
Avon township	Round Lake Beach village	861303	1	46.2%
Avon township	Round Lake Beach village	861303	2	46.2%
Waukegan township	Waukegan city	862200	4	46.2%
Waukegan township	Waukegan city	862200	1	46.2%
Waukegan township	Waukegan city	862200	2	46.2%
Waukegan township	Waukegan city	862200	3	46.2%
Waukegan township	Waukegan city	862200	4	46.2%
Waukegan township	Waukegan city	862000	1	46.0%
Waukegan township	Waukegan city	862000	2	46.0%
Waukegan township	Waukegan city	862000	3	46.0%
Waukegan township	Waukegan city	862000	4	46.0%
Waukegan township	Waukegan city	862000	5	46.0%
Avon township		861201	1	44.3%
Avon township		861201	2	44.3%
Avon township	Round Lake Beach village	861201	1	44.3%
Avon township	Round Lake Beach village	861201	2	44.3%
Avon township	Round Lake Park village	861201	2	44.3%
Waukegan township	Waukegan city	862100	1	43.7%
Waukegan township	Waukegan city	862100	2	43.7%
Waukegan township	Waukegan city	862100	3	43.7%
Waukegan township	Waukegan city	862100	4	43.7%
Avon township		861404	1	42.7%
Avon township	Hainesville village	861404	2	42.7%
Avon township	Hainesville village	861404	3	42.7%
Avon township	Round Lake Park village	861404	1	42.7%
Avon township	Round Lake Park village	861404	1	42.7%
Avon township	Round Lake Park village	861404	2	42.7%
Avon township	Round Lake Park village	861404	3	42.7%
Avon township	Round Lake village	861404	1	42.7%
Waukegan township	Waukegan city	861804	1	42.4%
Avon township		861403	1	41.7%
Avon township	Round Lake Beach village	861403	1	41.7%
Avon township	Round Lake Park village	861403	2	41.7%
Avon township	Round Lake village	861403	1	41.7%
Avon township	Round Lake village	861403	2	41.7%
Waukegan township		861803	1	40.3%
Waukegan township	Beach Park village	861803	1	40.3%
Waukegan township	Waukegan city	861803	1	40.3%
Waukegan township	Waukegan city	861803	2	40.3%

Township	City/Village/Unincorporated	Census Tract	Block Group	HUD's HMDA High Cost Loan Rate
Waukegan township	Waukegan city	861803	3	40.3%
Waukegan township		861902	1	39.9%
Waukegan township		861902	2	39.9%
Waukegan township		861902	3	39.9%
Waukegan township	Gurnee village	861902	2	39.9%
Waukegan township	Waukegan city	861902	1	39.9%
Waukegan township	Waukegan city	861902	2	39.9%
Waukegan township	Waukegan city	861902	3	39.9%
Waukegan township	Waukegan city	861702	1	39.3%
Waukegan township	Waukegan city	861702	2	39.3%
Waukegan township	Waukegan city	861702	3	39.3%
Waukegan township	Waukegan city	861702	4	39.3%
Waukegan township		862603	2	38.1%
Waukegan township	Gurnee village	862603	2	38.1%
Waukegan township	Park City city	862603	2	38.1%
Waukegan township	Waukegan city	862603	1	38.1%
Waukegan township	Waukegan city	862603	2	38.1%
Waukegan township	Waukegan city	862603	3	38.1%
Waukegan township	Waukegan city	862603	4	38.1%
Waukegan township	Waukegan city	862603	5	38.1%
Avon township	Round Lake Beach village	861304	1	37.9%
Avon township	Round Lake Beach village	861304	2	37.9%
Waukegan township		861901	1	37.4%
Waukegan township		861901	2	37.4%
Waukegan township	Beach Park village	861901	1	37.4%
Waukegan township	Beach Park village	861901	2	37.4%
Waukegan township	Waukegan city	861901	1	37.4%
Waukegan township	Waukegan city	861901	2	37.4%
Waukegan township	Waukegan city	861901	3	37.4%
Avon township		861301	1	37.3%
Avon township		861301	2	37.3%
Avon township		861301	1	37.3%
Avon township	Round Lake Beach village	861301	1	37.3%
Avon township	Round Lake Beach village	861301	2	37.3%
Avon township	Round Lake Heights villa	861301	1	37.3%
Avon township	Round Lake Heights villa	861301	2	37.3%
Avon township	Round Lake village	861301	2	37.3%
Benton township		860200	3	36.4%
Benton township		860200	4	36.4%
Zion township	Zion city	860200	1	36.4%
Zion township	Zion city	860200	2	36.4%
Zion township	Zion city	860200	3	36.4%
Zion township	Zion city	860200	4	36.4%
Antioch township		860805	1	36.1%
Antioch township		860805	2	36.1%
Antioch township		860805	1	36.1%
Antioch township		860805	2	36.1%
Antioch township		860805	1	36.1%
Antioch township		860805	1	36.1%
Antioch township		860805	2	36.1%



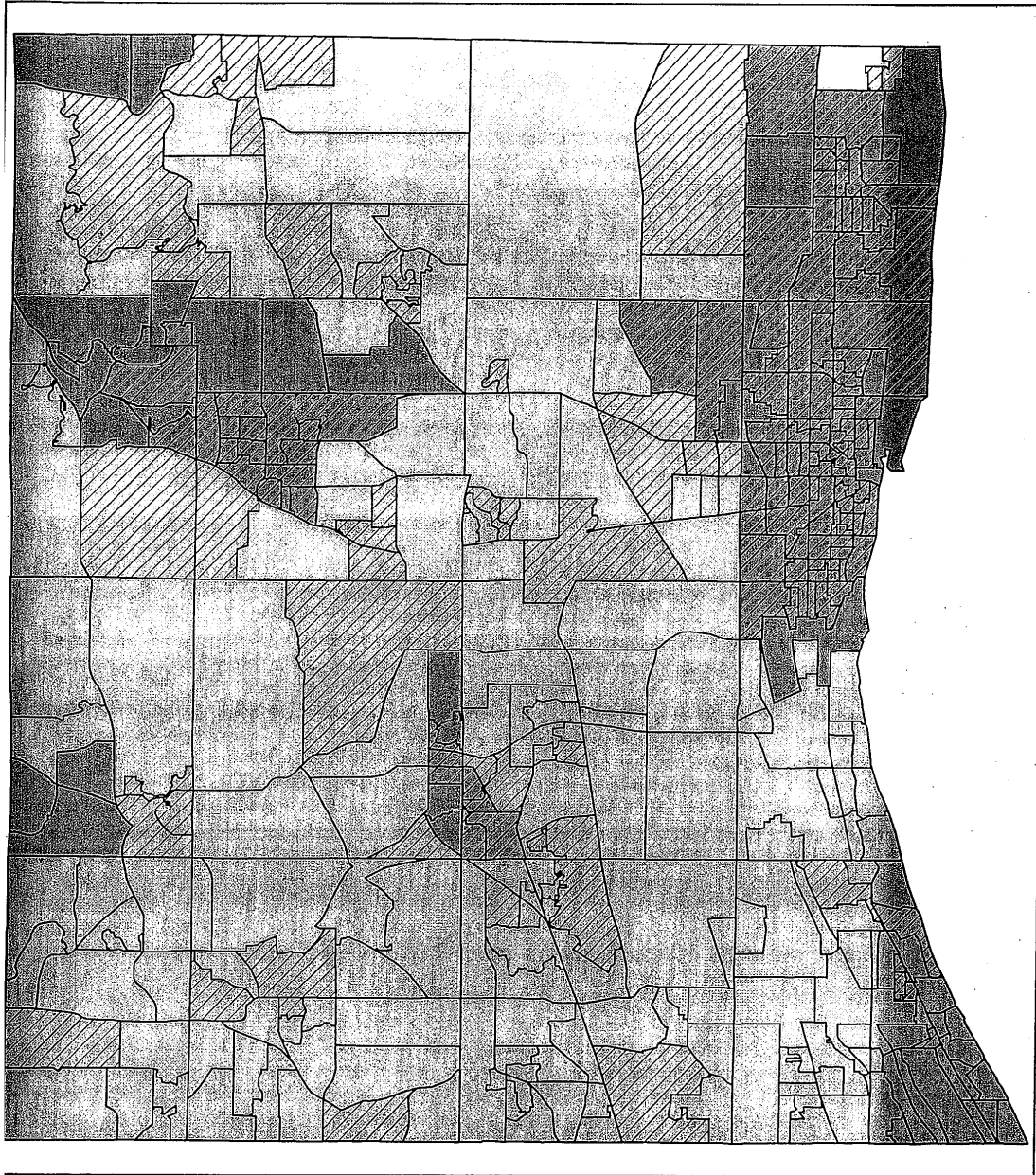
Township	City/Village/Unincorporated	Census Tract	Block Group	HUD's HMDA High Cost Loan Rate
Antioch township	Fox Lake village	860805	2	36.1%
Waukegan township	Park City city	862605	3	35.2%
Waukegan township	Waukegan city	862605	1	35.2%
Waukegan township	Waukegan city	862605	2	35.2%
Waukegan township	Waukegan city	862605	3	35.2%
Avon township		861202	1	34.7%
Avon township	Grayslake village	861202	1	34.7%
Avon township	Round Lake Beach village	861202	1	34.7%
Avon township	Round Lake Beach village	861202	2	34.7%
Avon township	Third Lake village	861202	1	34.7%
Libertyville township		864002	2	34.5%
Libertyville township		864002	4	34.5%
Libertyville township	Mundelein village	864002	1	34.5%
Libertyville township	Mundelein village	864002	2	34.5%
Libertyville township	Mundelein village	864002	3	34.5%
Libertyville township	Mundelein village	864002	4	34.5%
Libertyville township	Vernon Hills village	864002	2	34.5%
Benton township		860400	1	33.0%
Benton township		860400	3	33.0%
Benton township	Beach Park village	860400	1	33.0%
Benton township	Beach Park village	860400	3	33.0%
Benton township	Waukegan city	860400	1	33.0%
Benton township	Waukegan city	860400	3	33.0%
Zion township	Zion city	860400	1	33.0%
Zion township	Zion city	860400	2	33.0%
Zion township	Zion city	860400	3	33.0%
Waukegan township		861701	1	32.7%
Waukegan township		861701	1	32.7%
Waukegan township	Beach Park village	861701	1	32.7%
Waukegan township	Waukegan city	861701	1	32.7%
Waukegan township	Waukegan city	861701	2	32.7%
Benton township		860101	1	30.2%
Benton township		860101	2	30.2%
Benton township		860101	1	30.2%
Benton township		860101	2	30.2%
Benton township	Beach Park village	860101	1	30.2%
Benton township	Wadsworth village	860101	1	30.2%
Benton township	Winthrop Harbor village	860101	2	30.2%
Benton township	Winthrop Harbor village	860101	2	30.2%
Zion township	Zion city	860101	2	30.2%
Zion township	Zion city	860101	1	30.2%
Zion township	Zion city	860101	2	30.2%
Benton township		860600	2	29.6%
Benton township	Beach Park village	860600	1	29.6%
Benton township	Beach Park village	860600	2	29.6%
Benton township	Beach Park village	860600	3	29.6%
Benton township	Beach Park village	860600	3	29.6%
Benton township	Waukegan city	860600	2	29.6%
Zion township	Zion city	860600	1	29.6%
Zion township	Zion city	860600	2	29.6%

Township	City/Village/Unincorporated	Census Tract	Block Group	HUD's HMDA High Cost Loan Rate
Lake Villa township		861010	1	29.1%
Lake Villa township		861010	1	29.1%
Lake Villa township		861010	2	29.1%
Lake Villa township		861010	3	29.1%
Lake Villa township		861010	3	29.1%
Lake Villa township		861010	1	29.1%
Lake Villa township		861010	3	29.1%
Lake Villa township	Lake Villa village	861010	3	29.1%
Lake Villa township	Round Lake Heights villa	861010	3	29.1%
Grant township		860905	2	28.5%
Grant township		860905	4	28.5%
Grant township		860905	1	28.5%
Grant township		860905	2	28.5%
Grant township		860905	3	28.5%
Grant township	Fox Lake village	860905	1	28.5%
Grant township	Fox Lake village	860905	2	28.5%
Grant township	Fox Lake village	860905	3	28.5%
Cuba township		864204	3	27.7%
Wauconda township		864204	1	27.7%
Wauconda township		864204	2	27.7%
Wauconda township		864204	3	27.7%
Wauconda township	Island Lake village	864204	1	27.7%
Wauconda township	Island Lake village	864204	2	27.7%
Wauconda township	Island Lake village	864204	3	27.7%
Wauconda township	Lake Barrington village	864204	3	27.7%
Wauconda township	Port Barrington village	864204	2	27.7%
Wauconda township	Port Barrington village	864204	3	27.7%
Wauconda township	Wauconda village	864204	1	27.7%
Wauconda township	Wauconda village	864204	3	27.7%
Lake Villa township		861011	1	27.4%
Lake Villa township		861011	1	27.4%
Lake Villa township	Lake Villa village	861011	1	27.4%
Lake Villa township	Round Lake Beach village	861011	1	27.4%
Benton township		860104	1	27.1%
Benton township		860104	1	27.1%
Benton township		860104	2	27.1%
Benton township	Winthrop Harbor village	860104	1	27.1%
Benton township	Winthrop Harbor village	860104	1	27.1%
Benton township	Winthrop Harbor village	860104	2	27.1%
Zion township	Zion city	860104	1	27.1%
Zion township	Zion city	860104	2	27.1%
Warren township		861506	1	26.9%
Warren township	Gurnee village	861506	1	26.9%
Warren township	Wadsworth village	861506	1	26.9%
Warren township	Waukegan city	861506	1	26.9%
Avon township	Round Lake Beach village	861014	1	26.7%
Lake Villa township		861014	1	26.7%
Lake Villa township		861014	1	26.7%
Lake Villa township	Grayslake village	861014	1	26.7%
Lake Villa township	Lindenhurst village	861014	1	26.7%

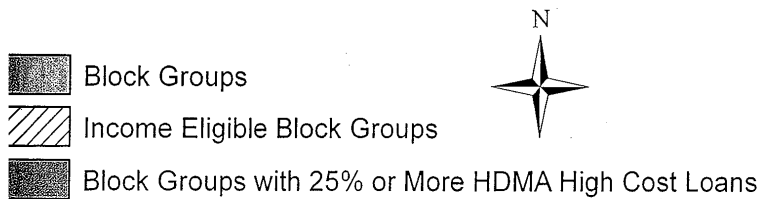
Township	City/Village/Unincorporated	Census Tract	Block Group	HUD's HMDA High Cost Loan Rate
Lake Villa township	Round Lake Beach village	861014	1	26.7%
Lake Villa township	Third Lake village	861014	1	26.7%
Grant township		860903	1	26.6%
Grant township		860903	3	26.6%
Grant township		860903	4	26.6%
Grant township		860903	1	26.6%
Grant township		860903	3	26.6%
Grant township		860903	4	26.6%
Grant township	Fox Lake village	860903	1	26.6%
Grant township	Fox Lake village	860903	2	26.6%
Grant township	Fox Lake village	860903	3	26.6%
Grant township	Fox Lake village	860903	4	26.6%
Grant township	Fox Lake village	860903	1	26.6%
Grant township	Fox Lake village	860903	2	26.6%
Grant township	Fox Lake village	860903	3	26.6%
Grant township	Fox Lake village	860903	4	26.6%
Fremont township		864106	1	26.6%
Fremont township	Libertyville village	864106	1	26.6%
Fremont township	Mundelein village	864106	1	26.6%
Fremont township	Mundelein village	864106	2	26.6%
Fremont township	Mundelein village	864106	3	26.6%
Fremont township	Mundelein village	864106	4	26.6%
Libertyville township	Mundelein village	864106	1	26.6%
Fremont township		864108	2	26.3%
Fremont township		864108	3	26.3%
Fremont township	Mundelein village	864108	1	26.3%
Fremont township	Mundelein village	864108	2	26.3%
Fremont township	Mundelein village	864108	3	26.3%
Warren township		861507	2	25.7%
Warren township	Gurnee village	861507	1	25.7%
Warren township	Gurnee village	861507	2	25.7%
Warren township	Waukegan city	861507	1	25.7%
Warren township	Waukegan city	861507	2	25.7%

SOURCE: CMAP provided data-sets of HUD NSP need category information.

## GREATEST NEED: SUBPRIME MAP



Neighborhood Stabilization Program Targeting





# GREATEST NEED: SIGNIFICANT RISE TABLE

- "SIGNIFICANT RISE" TABLE -

Township	City/Village/Unincorporated	Census Tract	Block Group	HUD's Estimated foreclosure abandonment risk score
Avon township		861403	1	10
Avon township		861404	1	10
Avon township	Hainesville village	861404	2	10
Avon township	Hainesville village	861404	3	10
Avon township	Round Lake Beach village	861403	1	10
Avon township	Round Lake Park village	861404	1	10
Avon township	Round Lake Park village	861403	2	10
Avon township	Round Lake Park village	861404	1	10
Avon township	Round Lake Park village	861404	2	10
Avon township	Round Lake Park village	861404	3	10
Avon township	Round Lake village	861403	1	10
Avon township	Round Lake village	861403	2	10
Avon township	Round Lake village	861404	1	10
Shields township		863001	1	10
Shields township		863201	3	10
Shields township	Lake Bluff village	863001	1	10
Shields township	North Chicago city	863001	1	10
Shields township	North Chicago city	863100	1	10
Shields township	North Chicago city	863100	2	10
Shields township	North Chicago city	863100	3	10
Shields township	North Chicago city	863201	1	10
Shields township	North Chicago city	863201	2	10
Shields township	North Chicago city	863201	3	10
Shields township	Waukegan city	863201	3	10
Waukegan township		862800	2	10
Waukegan township	North Chicago city	862800	1	10
Waukegan township	North Chicago city	862800	2	10
Waukegan township	North Chicago city	862901	1	10
Waukegan township	North Chicago city	862901	2	10
Waukegan township	North Chicago city	862901	3	10
Waukegan township	North Chicago city	862901	4	10
Waukegan township	North Chicago city	862902	1	10
Waukegan township	North Chicago city	862902	2	10
Waukegan township	North Chicago city	862902	3	10
Waukegan township	North Chicago city	862902	4	10
Waukegan township	North Chicago city	863001	1	10
Waukegan township	Waukegan city	861803	1	10
Waukegan township	Waukegan city	861803	2	10
Waukegan township	Waukegan city	861803	3	10
Waukegan township	Waukegan city	861804	1	10
Waukegan township	Waukegan city	861805	1	10
Waukegan township	Waukegan city	861805	2	10
Waukegan township	Waukegan city	861815	1	10
Waukegan township	Waukegan city	862000	1	10
Waukegan township	Waukegan city	862000	2	10
Waukegan township	Waukegan city	862000	3	10
Waukegan township	Waukegan city	862000	4	10
Waukegan township	Waukegan city	862000	5	10
Waukegan township	Waukegan city	862100	1	10
Waukegan township	Waukegan city	862100	2	10

Township	City/Village/Unincorporated	Census Tract	Block Group	HUD's Estimated foreclosure abandonment risk score
Waukegan township	Waukegan city	862100	3	10
Waukegan township	Waukegan city	862100	4	10
Waukegan township	Waukegan city	862200	4	10
Waukegan township	Waukegan city	862200	1	10
Waukegan township	Waukegan city	862200	2	10
Waukegan township	Waukegan city	862200	3	10
Waukegan township	Waukegan city	862200	4	10
Waukegan township	Waukegan city	862300	1	10
Waukegan township	Waukegan city	862300	2	10
Waukegan township	Waukegan city	862300	3	10
Waukegan township	Waukegan city	862300	4	10
Waukegan township	Waukegan city	862401	1	10
Waukegan township	Waukegan city	862401	2	10
Waukegan township	Waukegan city	862401	3	10
Waukegan township	Waukegan city	862402	1	10
Waukegan township	Waukegan city	862402	2	10
Waukegan township	Waukegan city	862402	3	10
Waukegan township	Waukegan city	862501	1	10
Waukegan township	Waukegan city	862501	2	10
Waukegan township	Waukegan city	862700	1	10
Waukegan township	Waukegan city	862700	2	10
Waukegan township	Waukegan city	862700	3	10
Waukegan township	Waukegan city	862700	4	10
Waukegan township	Waukegan city	862800	2	10
Zion township	Zion city	860301	1	10
Zion township	Zion city	860301	2	10
Zion township	Zion city	860301	3	10
Zion township	Zion city	860302	1	10
Zion township	Zion city	860302	2	10
Zion township	Zion city	860302	3	10
Zion township	Zion city	860500	1	10
Zion township	Zion city	860500	2	10
Zion township	Zion city	860500	3	10
Zion township	Zion city	860500	4	10
Zion township	Zion city	860500	5	10
Avon township		861301	1	9
Avon township		861301	2	9
Avon township		861201	1	9
Avon township		861201	2	9
Avon township		861301	1	9
Avon township		861303	1	9
Avon township	Round Lake Beach village	861201	1	9
Avon township	Round Lake Beach village	861201	2	9
Avon township	Round Lake Beach village	861301	1	9
Avon township	Round Lake Beach village	861301	2	9
Avon township	Round Lake Beach village	861303	1	9
Avon township	Round Lake Beach village	861303	2	9
Avon township	Round Lake Heights villa	861301	1	9
Avon township	Round Lake Heights villa	861301	2	9
Avon township	Round Lake Park village	861201	2	9

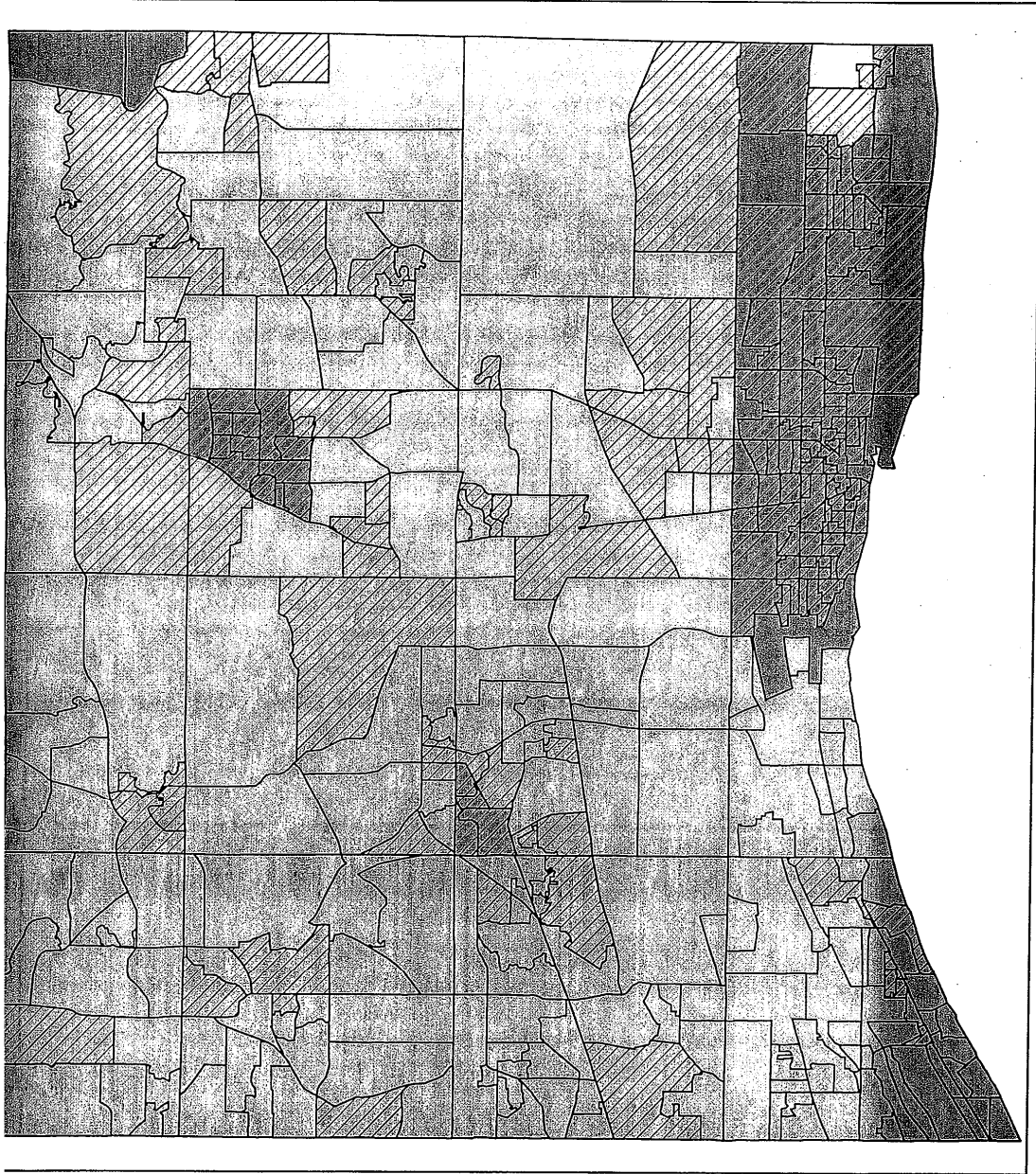
Township	City/Village/Unincorporated	Census Tract	Block Group	HUD's Estimated foreclosure abandonment risk score
Avon township	Round Lake village	861301	2	9
Benton township		860200	3	9
Benton township		860200	4	9
Benton township	Waukegan city	860400	1	9
Benton township	Waukegan city	860400	3	9
Waukegan township		861803	1	9
Waukegan township		861902	1	9
Waukegan township		861902	2	9
Waukegan township		861902	3	9
Waukegan township		862603	2	9
Waukegan township	Beach Park village	861803	1	9
Waukegan township	Gurnee village	861902	2	9
Waukegan township	Gurnee village	862603	2	9
Waukegan township	Park City city	862603	2	9
Waukegan township	Park City city	862604	2	9
Waukegan township	Park City city	862605	3	9
Waukegan township	Waukegan city	861702	1	9
Waukegan township	Waukegan city	861702	2	9
Waukegan township	Waukegan city	861702	3	9
Waukegan township	Waukegan city	861702	4	9
Waukegan township	Waukegan city	861902	1	9
Waukegan township	Waukegan city	861902	2	9
Waukegan township	Waukegan city	861902	3	9
Waukegan township	Waukegan city	862502	1	9
Waukegan township	Waukegan city	862502	2	9
Waukegan township	Waukegan city	862603	1	9
Waukegan township	Waukegan city	862603	2	9
Waukegan township	Waukegan city	862603	3	9
Waukegan township	Waukegan city	862603	4	9
Waukegan township	Waukegan city	862603	5	9
Waukegan township	Waukegan city	862604	1	9
Waukegan township	Waukegan city	862604	2	9
Waukegan township	Waukegan city	862604	3	9
Waukegan township	Waukegan city	862605	1	9
Waukegan township	Waukegan city	862605	2	9
Waukegan township	Waukegan city	862605	3	9
Zion township	Zion city	860200	1	9
Zion township	Zion city	860200	2	9
Zion township	Zion city	860200	3	9
Zion township	Zion city	860200	4	9
Antioch township		860805	1	8
Antioch township		860805	2	8
Antioch township		860805	1	8
Antioch township		860805	2	8
Antioch township		860805	1	8
Antioch township		860805	1	8
Antioch township		860805	2	8
Antioch township	Fox Lake village	860805	2	8
Avon township	Round Lake Beach village	861304	1	8
Avon township	Round Lake Beach village	861304	2	8



Township	City/Village/Unincorporated	Census Tract	Block Group	HUD's Estimated foreclosure abandonment risk score
Benton township		860101	1	8
Benton township		860101	2	8
Benton township		860101	1	8
Benton township		860101	2	8
Benton township		860400	1	8
Benton township		860400	3	8
Benton township		860600	2	8
Benton township	Beach Park village	860101	1	8
Benton township	Beach Park village	860400	1	8
Benton township	Beach Park village	860400	3	8
Benton township	Beach Park village	860600	1	8
Benton township	Beach Park village	860600	2	8
Benton township	Beach Park village	860600	3	8
Benton township	Beach Park village	860600	3	8
Benton township	Wadsworth village	860101	1	8
Benton township	Waukegan city	860600	2	8
Benton township	Winthrop Harbor village	860101	2	8
Benton township	Winthrop Harbor village	860101	2	8
Libertyville township		864002	2	8
Libertyville township		864002	4	8
Libertyville township	Mundelein village	864002	1	8
Libertyville township	Mundelein village	864002	2	8
Libertyville township	Mundelein village	864002	3	8
Libertyville township	Mundelein village	864002	4	8
Libertyville township	Vernon Hills village	864002	2	8
Warren township	Waukegan city	861506	1	8
Waukegan township		861701	1	8
Waukegan township		861701	1	8
Waukegan township		861901	1	8
Waukegan township		861901	2	8
Waukegan township	Beach Park village	861701	1	8
Waukegan township	Beach Park village	861901	1	8
Waukegan township	Beach Park village	861901	2	8
Waukegan township	Waukegan city	861701	1	8
Waukegan township	Waukegan city	861701	2	8
Waukegan township	Waukegan city	861901	1	8
Waukegan township	Waukegan city	861901	2	8
Waukegan township	Waukegan city	861901	3	8
Zion township	Zion city	860101	2	8
Zion township	Zion city	860101	1	8
Zion township	Zion city	860101	2	8
Zion township	Zion city	860400	1	8
Zion township	Zion city	860400	2	8
Zion township	Zion city	860400	3	8
Zion township	Zion city	860600	1	8
Zion township	Zion city	860600	2	8

SOURCE: CMAP provided data-sets of HUD NSP need category information.

## GREATEST NEED: SIGNIFICANT RISE MAP



Neighborhood Stabilization Program Targeting



# NSP AREA MEDIAN INCOME TABLE

**FY 2008 Income Limits for 50% of HUD Area Median Income**

Area Name	County Name	1 person household	2 person household	3 person household	4 person household	5 person household	6 person household	7 person household	8 person household
Chicago-Naperville-Joliet, IL HUD Metro FMR Area	Lake County	\$26,400	\$30,150	\$33,950	\$37,700	\$40,700	\$43,750	\$46,750	\$49,750

**FY 2008 Income Limits for 80% of HUD Area Median Income\*\*\***

1 person household	2 person household	3 person household	4 person household	5 person household	6 person household	7 person household	8 person household
\$42,200	\$48,250	\$54,250	\$60,300	\$65,100	\$69,950	\$74,750	\$79,600

**FY 2008 Income Limits for 120% of HUD Area Median Income**

1 person household	2 person household	3 person household	4 person household	5 person household	6 person household	7 person household	8 person household
\$63,350	\$72,400	\$81,450	\$90,500	\$97,700	\$104,950	\$112,200	\$119,450

\*\*\* **NOTE:** HUD programs normally operate under the 80% household income range.  
 For NSP-funded activities, HUD's income limits are based on the 120% household income range.  
 Not less than 25% of the NSP funds must go to house individuals at the 50% household income range.

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